



FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,013 Friday November 9 1979 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 16; BELGIUM Fr 26; DENMARK Kr 4.25; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 4.25; PORTUGAL Esc 35; SPAIN Ptas 80; SWEDEN Kr 2.75; SWITZERLAND Fr 2.0; EIRE 20p



NEWS SUMMARY

GENERAL BUSINESS

BBC accused of treason

MPs accused the BBC of treason and demanded legal action after it was revealed in the Commons that IRA terrorists took over a village for an afternoon for a *Panorama* film.

The Prime Minister has asked for a full report on the work of the film crew in the Republic. The BBC has already banned the film, made in the village of Carrickmore, County Tyrone.

Mr. James Callaghan said the BBC appeared to have set out deliberately to manufacture news. It was "distasteful and reprehensible." Page 17

Times dispute

The Times may not appear after all next week unless a demarcation dispute between two manual unions is settled. Page 10

Fiat row

A major confrontation has broken out between Fiat, the Italian trade unions and the Turin Labour Tribunal over the tribunal's order to Fiat to reinstate temporarily 50 of the 61 workers laid off last month. Back Page

Pace extradition

A French court has agreed to extradite Lanfranco Pace, wanted on charges connected with the kidnapping and murder of former Italian Prime Minister Aldo Moro. Page 2

Strike call

In the first major challenge to General Zia-ul-Haq's military regime in Pakistan since he postponed elections last month, senior politicians have called for a general strike on November 17. Page 4

Presidential bid

California Governor Jerry Brown has announced his candidacy for the Democratic Party's presidential nomination. Back Page

Machete murder

A woman was killed and five other people, including two children, were injured by a man armed with a machete in a multi-storey block of flats in Birmingham. A man has been charged with murder and will appear in court today.

Troops out plan

West Germany is expected to propose withdrawal from Central Europe of both U.S. and Soviet troops at next month's meeting of Atlantic Alliance foreign ministers.

Deportation ban

The Israeli Supreme Court has issued a temporary injunction against a move to deport the Mayor of Nablus, the largest town on the occupied West Bank, who is said to have voiced support for Palestinian guerrilla actions. Page 4

Briefly . . .

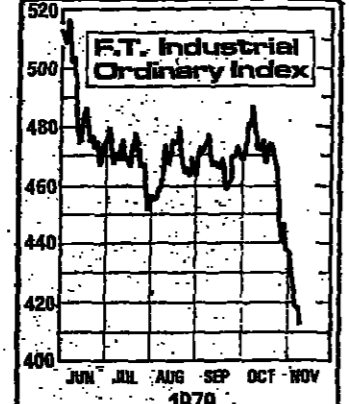
Actor Sydney Tauber has died of cancer at his home in Barnes, London. He was 62.
All British Airways flights to and from Paris between 1 pm and 3 pm today are cancelled because of the French air traffic controllers' work-to-rule.
Yvonne de Gaulle, widow of General Charles de Gaulle, has died in a Paris hospital. She was 79.
Two U.S. executives kidnapped by Left-wing guerrillas in El Salvador seven weeks ago have been released.

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

Gilts and equities fall; £ weaker

GILTS were depressed despite unchanged MLR and selling pressure developed from home and overseas, with losses extending to a full point. The Government Securities Index fell 0.50 to 66.10.



view that a rise in MLR had been merely postponed. The FT 30-share index lost 5.9 to end at 412.2.

STERLING lost ground sharply on late selling from New York to close at \$2.0850 (\$2.1080) but its trade-weighted index rose to 87.3 (87.2). The dollar rose to 87.1 (86.9).

GOLD lost \$3.50 closing at \$390 (\$393.50) in London.

NORTH SEA OIL prices could rise to between \$45 and \$65 a barrel in real terms by the end of the century, the Energy Department warns. The present contract price is \$26.27. Page 9

BANK OF ENGLAND expects to announce the allocation terms of the government sale of 5 per cent of British Petroleum on Monday. Back Page

NEB members have threatened to resign if Rolls-Royce is detached from the NEB and reverted to direct Department of Industry control. Back Page

BRITISH CHEMICAL companies may have to close less profitable plants to improve productivity and catch up with efficient Continental groups, the president of the Chemical Industries Association says. Page 9

AUSTRALIAN industrial and mining group CSR has made a bid worth A\$465m (£247m) for Thiess Holdings in an attempt to become Australia's main energy resources group. Back Page 28

LABOUR

THREAT of strikes against British Steel following its decision to close Corby steelworks receded after the largest steel union failed to win support of other unions. Back Page

COMPANIES

BAT INDUSTRIES is paying \$37.8m for the 50 per cent share in Mardon Packaging International, which it is buying from the Imperial Group. Page 25

RHONE-POULENC is to raise Frs 473.5m (about \$33.6m) in a one-for-five rights issue aimed at boosting its investment rate. Page 28

LONDON AND MIDLAND Industrials' pre-tax profits for the half-year to September 30 rose to £1.15m (£1m) despite disruption caused by the engineering strike. Page 23

STAVELEY INDUSTRIES first half pre-tax profits fell to £1.53m (£5.43m) reflecting mainly the effect of the engineering strike. Page 22

New threat to uneasy balance of supply and demand

Iran plans to cut supplies of oil to West by 5%

BY ANDREW WHITLEY and RAY DAFTER

Iran has told its major oil customers, including British Petroleum, that it will cut crude supplies by 5 per cent for the fourth quarter of this year, again jeopardising the balance of world supplies.

Oil companies yesterday were concerned that as several weeks of the quarter have already passed the impact on liftings for the remaining weeks of 1979 could be much greater. Oil executives fear that up to 10 per cent of Iran's total oil exports could be affected, about 300,000 barrels a day.

Table titled 'WHERE IRAN SELLS ITS OIL' showing barrels a day for various regions and companies.

The cut appears the first executives fear that up to 10 per cent of Iran's total oil exports could be affected, about 300,000 barrels a day.

Members of the Organisation of Petroleum Exporting Countries provide 31.3m barrels a day of this production. Consumption has run slightly below supplies, little different from last year's average of 63.12m barrels a day, according to U.S. Central Intelligence Agency figures for industrial countries.

BP, which once relied on Iran for some 2m barrels a day of supplies, has seen its offtake fall throughout this year.

Kaunda presses Britain for concessions

BY BRIDGET BLOOM AND MICHAEL HOLMAN

INTENSE DIPLOMATIC efforts designed to ease the Lancaster House talks over their most difficult hurdle yet got under way yesterday with the arrival in London of President Kenneth Kaunda of Zambia.

Dr. Kaunda was at the centre of a last-minute attempt to achieve a compromise over the pre-independence arrangements for Rhodesia between Britain and the Patriotic Front guerrilla alliance.

New EEC move over milk

BY MARGARET VAN HATTEM IN BRUSSELS AND CHRISTOPHER PARKES IN LONDON

THE COMMON Market Commission yesterday launched fresh legal proceedings aimed at forcing Britain to lift its ban on imports of milk from other Community countries.

U.S. asks for PLO aid on hostages

BY DAVID BUCHAN IN WASHINGTON

THE U.S. has asked the Palestine Liberation Organisation to help rescue its 60 diplomatic staff from the occupied U.S. Embassy in Teheran.

BP is faced with a completely changed trading position. Until recently it had more than 500,000 b/d. Now they have fallen again to an average of 385,750 b/d.

Inquiry into home loan financing

BY MICHAEL CASSELL

THE GOVERNMENT is setting up an inquiry with the major financial institutions into ways of overcoming the shortage of finance for home loans.

The formation of a review committee by Mr. Michael Heseltine, Secretary for the Environment, which comes at a time of growing mortgage queues, was announced last night as one of Britain's largest building societies revealed its had gone to the money markets for £20m to supplement its mortgage lending programme.

The loan, to be used exclusively for large mortgages, has been arranged with an international banking consortium managed by S. G. Warburg, Commerzbank and the First National Bank in Dallas.

Slowing of money supply growth 'may take longer'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SIR GREGORY DOWE, the Chancellor, yesterday admitted in the Commons that it could take longer than the Government had hoped to bring down the rate of growth of the money supply.

Minimum Lending Rate was, as expected, left unchanged yesterday at 14 per cent. But the City continues to expect a rise before long and there were further falls in the prices of gilt-edged stocks.

Prospects

Israel yesterday refused to make any official comment.

Prospects of an early end to the occupation of the U.S. Embassy where the hostages have been held for five days with the authorities' backing dimmed yesterday.

Contents

Table of contents listing various sections and their page numbers.

Richard Ellis World Wide Offices

Advertisement for Richard Ellis offices, including a map of London and contact information for Cannon Street, London EC4.

By-election setback in Cork for Lynch

By Our Dublin Correspondent

THE IRISH Prime Minister, Mr. Jack Lynch, currently on a visit to the U.S., appears to have suffered a severe political reverse in two by-elections in his native city, Cork, where he himself is an MP.

Early indications, as the proportional representation count got under way, were that his party's share of the vote in Cork City had dropped from 58 per cent in the general election of 1977 to less than 40 per cent.

Party activists forecast that Fine Gael, the major opposition party, would win both seats when final results were declared this evening.

Mr. Lynch himself campaigned heavily in Cork City and, although the result will not affect his party's 20-seat majority, it will do considerable damage to the Prime Minister's own standing.

Back-benchers have become increasingly restless over the Government's continuing unpopularity, which is blamed mainly on high inflation—around 13 per cent—and proposals to increase farmers' taxation.

By-election results are bound to raise again the question of how much longer Mr. Lynch will continue to lead the party. There has been speculation that he might retire next year, but the view within the party may now grow that he should go whether he wants to or not.

Metin Munir visits Turkey's problem steel plant at Iskenderun Army keeps the iron flowing



ACCORDING to economics textbooks there are three factors of production: labour, capital and land. At the Soviet-built iron and steel plant, Isdemir, 15 km east of here there is a fourth: the Turkish army.

A battalion of crack commandos is encamped on the complex, which stretches inland from the Mediterranean to a bare mountain range. Their duty is to deter extreme Right-wing workers, who are in a majority, from disrupting work sabotaging equipment or persecuting Left-wing workers.

This peculiar arrangement offers a remarkable insight into the hazards of operating a public sector enterprise in a country which is in a state of political and economic ferment.

"The soldiers contribute to production as much as I or anybody else," says Mr. Aykut Deren, the Isdemir director, a 43-year-old economist. "Everybody here is either Left or Right-wing. You hire a new engineer—before he learns his way around the plant he is running round organising demonstrations. Get the army put out of here and you will have more blood flowing than iron."

The same is more or less true of the whole country. In the 20 months that the Prime Minister, Mr. Bulent Ecevit, has held power, over 1,500 people lost their lives in assassinations, riots and massacres involving extreme Left- and Right-wing factions. Half of the population of 45m lives under martial law.

Mr. Ecevit's predecessor, Mr. Suleyman Demirel, has now been asked by the President to form a Government. For Isdemir there is little telling what this could mean. Under Mr. Demirel

private capital was weak, these companies now account for half of total industrial output, manufacturing a vast range of products from shoes to cement.

But because of mismanagement, overstaffing and virtually every single inefficiency known to industrial man, almost all of them incur vast losses. They stay afloat thanks to huge treasury support, which through deficit financing fans the flames of runaway inflation.

At Isdemir more than 6,000 workers were taken on when it opened. Most were said to be supporters of Mr. Alparslan Turkes, the leader of the ultra-Right-wing Nationalist Action Party (NAP), from Iskenderun, a seaside town of 300,000 founded by Alexander the Great.

The Soviet Union, which is one of Turkey's biggest suppliers of project credit, had hoped that Isdemir would be a showcase for the Third World, particularly the Middle East. Its starting capacity of 1m tons a year was eventually to be increased to 8m tons a year, making it one of Moscow's biggest overseas projects.

The Russians were in for a surprise. In four years Isdemir changed 12 managers. The blueprints foresaw a workforce of 8,000 at 1m tons a year output. But with production at under a quarter of this the plant employed 18,000. One Isdemir director who was asked by a Demirel minister to take on more workers is said to have replied: "Sure, but to put more workers in I'll have to start taking the machinery out."

Russian technology at Isdemir has been criticised as being crude and outdated. But Mr. Deren says that it is ideal for

the country at its current level of development.

Three hundred Russian engineers at Isdemir are trying to make a success of the plant, which was supposed to have met a third of the country's iron and steel requirements. The large shortfall is a severe loss for Turkey, where there is a chronic shortage and a black market in iron and steel products. Imports in 1978 amounted to over \$400m. Over the past five years demand has grown by 15 per cent and supply by 5 per cent. Governments could realise less than half of planned investments. Consequently in 1978 only one-third of the 4.7m tons of iron and steel used was locally produced.

Mr. Deren assumed the management of the Isdemir complex a year ago with a salary of 11,000 Turkish lira (£100)—another aberration of the state economic enterprises which pay workers more than managers.

He seems to have done an excellent job, despite having to pack a pistol because of all the threats he has received. The workforce is now 18,000, and capacity utilisation this year is double last year's. Given an uninterrupted flow of raw materials, the complex will run at 80 per cent capacity.

But there are still great problems. The plant uses domestic iron ore but imports 60 per cent of its coke. There are transport problems for the ore and foreign currency problems for the coke. Power cuts, a national menace, are also affecting Isdemir's production. Under even the most ideal conditions overstaffing will help cause a loss of at least 1.5bn Turkish lira (£136m) this year, despite prices being 30 per cent above world levels.



Mr. Joergensen: defence cuts threatened

Fears over Denmark's defence spending

By Hilary Barnes in Copenhagen

FEARS THAT Denmark's new Social Democratic minority Government is about to upset a four-party agreement on defence spending have been voiced by the opposition.

Since 1973 this accord has stabilised the defence budget and taken much of the political heat out of the defence issue.

Mr. Anker Joergensen, the Prime Minister, said in a policy declaration to the Folketing (Parliament) earlier this week that public spending cuts are necessary and defence cannot go unscathed.

The Conservative defence spokesman, Mr. Palle Simonsen, said, however, that if the Government persists on these lines, there will be a breach of the defence spending agreement.

He pointed out that Denmark has reserved its position on the NATO call for a 3 per cent real increase in annual defence expenditure, on the grounds that this would breach the defence spending agreement.

If the accord cannot be broken to provide for increased spending, he said, it cannot be broken to provide for spending cuts either.

Military chiefs have warned recently that the agreement does not provide enough money to prevent a gradual undermining of defence capability.

Outsider chosen to join new Japan Cabinet

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

DR. SABURO OKITA, a well-known economist who is not a member of the Japanese Diet, becomes Foreign Minister in the new Cabinet announced by Mr. Masayoshi Ohira, the Prime Minister, last night.

Dr. Okita's appointment to a post which normally goes to a senior member of the ruling Liberal Democratic Party came as a total surprise but appeared to be generally welcomed.

He is a fluent English-speaker known for his interest in the problems of developing countries.

His previous posts include the chairmanship of the Japan Economic Research Centre, an influential private economic forecasting institute, and the directorship, from 1973 to 1977, of the Overseas Economic Co-operation Fund, a Japanese Government agency for extending soft loans to developing countries.

Dr. Okita helped draft the famous "Income Doubling Plan" launched in the early 1960s. In 1977, he stood unsuccessfully for the Upper House of the Diet.

Dr. Okita is the only non-political member of a team which, in other respects, appears to have been chosen to reflect the relative strengths of the competing Liberal Democratic Party factions.

The Cabinet includes four members each from the Tanaka, Ohira and Fukuda factions, three from the Nakasone faction and two from the Miki faction. The Education portfolio is held by Mr. Ohira, but this arrangement may be temporary. Mr. Kunikida Saito, Party Secretary-General, who remains in office from the previous Cabinet, is expected to be appointed Education Minister as soon as a new Secretary-General has been chosen.

Mr. Ohira was unable to fill this important post yesterday, apparently because of a dispute between the "mainstream" and "anti-mainstream" factional groups both of which claimed the position for themselves.

The new Cabinet is notable for its relative youth by Japanese standards—the average age is 59—and for the number of Ministers who have not previously held office—15 out of a total 22.

Apart from Dr. Okita, key members of the new Cabinet include, as Finance Minister, Mr. Noboru Takeshita (a Tanaka faction member who has served as Construction Minister and Chief Cabinet Secretary in previous administrations) and as Minister of International Trade and Industry, Mr. Yoshitake Sasaki.

Mr. Sasaki is a close associate of the Prime Minister. He is credited with having persuaded the opposition New Liberal Club to vote for Mr. Ohira at last Tuesday's leadership election.

West Berlin buoyed by surge in orders to industry

BY LESLIE COLT IN BERLIN

WEST BERLIN'S economy is expanding on a surge of industrial orders from West Germany and abroad, and manufacturers are overwhelmingly optimistic about the coming year. For the first time since 1970 the number of industrial jobs is expected to stabilise this year after falling by some 90,000 in the past decade.

As in West Germany, capital goods industries in West Berlin are the basis for the current industrial upswing. Orders are running 15 per cent

higher in the electrical industry and 14 per cent higher in mechanical engineering which together have half of West Berlin's industrial employees.

The city's gross domestic product expanded by the highest rate since 1974, 3.9 per cent at 1970 prices during the first half of the year compared with 4.3 per cent in West Germany.

One reason for the increased optimism is that West Berlin is profiting from capital goods orders to its factories from West German parent companies.

They gain by the elaborate subsidies and tax preferences offered to companies in the city and are responding to Chancellor Helmut Schmidt's appeals that they should make full use of West Berlin's industrial capacity.

Siemens, the largest employer in West Berlin with 26,000 workers, has produced more than DM 500m (£125m) worth of electronic Telex machines in the city this past year. Some 70 per cent of them were exported and Siemens says it had a 35 per cent share of

the world market. The company is expanding its Telex production in Berlin but finds it is unable to find enough local labour with the necessary qualifications.

Unemployment in West Berlin last month was 3.6 per cent compared with 4.2 per cent a year ago and companies find they are often unable to find workers among the 10,700 people registered with the labour exchanges.

The city has expanded its service sector with the completion of an international congress centre, and a major hotel building programme is under way. The two allied airlines serving West Berlin—British Airways and Pan American—report expanding passenger traffic this year between West Germany and West Berlin for the first time since 1972.

In that year the four-power Berlin agreement went into effect and Berliners, as well as visitors, began taking to the East German autobahn linking the city with West Germany.

Exchange position 'weak'

BY OUR TOKYO CORRESPONDENT

ALTHOUGH Japan's foreign exchange reserves are still the world's second largest, the country's true foreign exchange position, taking into account private sector foreign exchange liabilities, is much weaker. Mitsubishi Bank claimed yesterday.

The bank said in a special report that Japan's overall short-term foreign exchange assets amount to \$11.5bn, or the equivalent of 1.3 months' imports. Official foreign exchange reserves at the end of October were \$23.2bn, a fall of \$10.2bn from their level at the beginning of the year.

On Mitsubishi's definition Japan ranks as only the ninth wealthiest nation in the world in terms of its foreign exchange holdings. Britain ranks tenth with assets of \$2.9bn, equivalent to 0.4 months imports.

The method used by Mitsubishi to compute true foreign exchange assets is to revalue official foreign exchange reserves to allow for the current market value of gold and to add or subtract official and private sector assets or liabilities.

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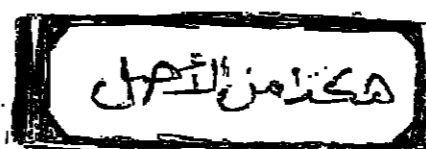
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BEYOND THE BARRIER...

The U.K. in International Capital and Investment Markets: A new assessment

The Exchange Control barrier has been lifted after forty years. But what lies ahead?

What are the short and long term implications for the flow of capital both in and out of the U.K.? What are the investment opportunities and pitfalls this new freedom will bring, and how will the U.K. adapt to free access to financial communities around the world?

On Monday, December 3rd, the Financial Times will publish a definitive Survey "The U.K. in International Capital and Investment Markets: a New Assessment", which will cover these important issues, and more. It will examine closely three main areas.

1. Investment opportunities

International securities markets; the U.S., Canada, Japan, Hong Kong, Singapore, Australia, South Africa, Germany, Switzerland and France. The special opportunities offered, the structure of the markets, the quality of information available. Comparative values of these markets, including a breakdown by industry category of the world's biggest companies, together with bond yields and information on relative currency movements.

International bonds for the British investor. Commodity markets, especially the futures markets in Chicago and New York. Gold and gold futures. Real estate—private and institutional. Short term investment abroad for individuals, banks and institutions. Currency risk and forward cover.

Where you can have bank accounts and how much they cost. Money market paper and the restrictions on investment inflow and interest payments.

Can the range of investment advice in all these areas match the opportunities available? How will foreign brokers make their presence felt in London? Which funds and unit trusts invest overseas, and what foreign alternatives now exist for the British investor?

2. Financing opportunities

How British companies can now raise equity or issue debt in foreign markets, with particular reference to the United States and S.E.C. requirements.

The other side of the coin: the opportunities for foreign companies to raise equity and issue debt in the U.K., along with the potential for British companies to attract investment from abroad.

The money markets: the new scope for borrowing and depositing short term funds in banks and through short term instruments of different nationalities.

3. Implications of the change

The likely impact on City institutions:

- 1) The Stock Exchange
- 2) The Bank of England

- 3) The merchant banks
- 4) The clearing banks
- 5) Discount houses
- 6) The foreign banking and broking community

A working document for the 1980's

Controls have been abolished for barely a week, but already people are beginning to ask how their individual companies and personal financial position may be affected.

Rather than rush into ill-defined opinions, we have deliberately chosen December 3rd as the publication date for this Survey.

Between now and then, our journalists, correspondents and contributors around the world will be gathering information, facts and figures to produce the informed comment essential to this authoritative assessment by the Financial Times.

This Survey is designed to be used by companies and private individuals as a guide to the new investment and financing opportunities which will be open to them in the 1980's.

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UK NEWS

New aerospace plan keeps group intact

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE GOVERNMENT does not intend to break up the nationalised British Aerospace group. Instead, it will convert the entire group from a statutory corporation into a limited liability company...

The new company would have to borrow the funds it needed in the commercial market, thus resulting in a substantial saving in the public sector borrowing requirement.

World shipbuilding recession may last for two years more

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE world-wide recession in the shipbuilding industry is likely to continue for at least a further two years, according to British Shipbuilders.

12 ships of 77,000 tons worth \$66m last year. On September 30, the total merchant ship order book of British Shipbuilders totalled 76 vessels of 684,900 tons gross...

Textiles chairman to resign

BY JOHN MOORE

MR. IVAN HILL, executive chairman of ILLINGWORTH Morris, the textile concern, will retire as chairman next March. He will continue as a director until September next year...

EEC 'should aid switch to coal'

BY MAURICE SAMUELSON

THE National Coal Board wants the EEC to set up a fund to assist the growing number of British manufacturers considering switching to coal from oil or gas.

Industry's primary heat requirement of about 80m tonnes of coal equivalent and unless coal share increases to about 40m in the next ten to 15 years, British industry will decline further.

How BR closures can reduce subsidies

BRITISH RAIL'S internal review of its operations over the next ten years has said that closures of passenger services could save up to £30m a year in Government subsidies by 1989.

Britons turn from tea to something stronger

By Christopher Parkes

THE BRITISH are losing the tea-drinking habit, turning increasingly to beer, wine and spirits for refreshment and taking in greatly increased quantities of crisps with their tipples.

Vehicle output better, but still below normal

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

ALTHOUGH CAR and commercial vehicle output recovered considerably last month, the national engineering dispute ended, it remained well below normal levels as disputes at car plants took their toll.

problems last month but the Chrysler dispute continued for most of the month, while the dispute at Vauxhall's Ellesmere Port plant continues.

Violins fail to sell but pictures top £5.3m

THERE WERE disappointments in Sotheby's sale of musical instruments yesterday, most notably the failure of a Stradivari violin of the best period to find a buyer.

Christie's sold three of the four Brussels tapestries from the History of Cyrus by Jan van Tigen for £60,500 yesterday.

Casino activities 'not normal practice'

BY JAMES BARTHOLOMEW

MR. REGINALD DOAK, chief inspector of the Gaming Board, said in Knightsbridge Crown court yesterday that a series of activities described to him by Mr. Michael Kempster QC, for the police, were not normal practice in the casino industry.

Mr. Doak read in court an advertisement which Mr. Cyril Stein, chairman of Ladbroke, issued in July.

Bargains in vintage port

BY EDMUND PENNING-ROWE

BUYERS RATHER than investors had cause for satisfaction yesterday at Christie's half-yearly vintage port sale.

Specialised insurance for estate agents

By Andrew Taylor

A JOINT company to provide insurance cover for estate agents, valuers and auctioneers has been formed by the Incorporated Society of Valuers and Auctioneers (ISVA) and Stewart Wrightson (UK).

SALEROOM

BY ANTONY THORNCROFT

realised £22,000. The tapestries were executed in the mid-16th century and were sold by the Countess of Clanwilliam.

Oil-from-coal plant for North Wales

BY MAURICE SAMUELSON

THE GOVERNMENT has agreed to a site in North Wales for two pilot plants to extract oil from coal and help beat energy shortages.

every way with identical products, at present processed from crude oil, in quality and price.

Miners call on MPs to block imports

BY OUR LABOUR EDITOR

MINERS' UNION leaders decided yesterday to mobilise Labour MPs and other trade unionists behind a campaign for a Government subsidy on coking coal.

But he admitted that the price was a "stumbling block" Other countries gave heavy subsidies to domestic coking coal.

Insurance company not liable for Beirut losses

BY A. H. HERMANN

THE INSURANCE business was cleared in the High Court yesterday of responsibility for loss and damage caused by looting in the 1974 fighting in Beirut.

Spinney's Beirut store was looted and burnt down. The company says that the band which looted the store had no connection with warring factions, and that Royal Insurance should pay some £2m under its fire insurance policy.

NEWS ANALYSIS—BUILDING SOCIETIES

Large loans will be sought from the City

THE announcement yesterday by Anglia Hastings and Thanet Building Society that it has gone to the City to raise mortgage funds provides a glimpse of the direction in which the building society movement may soon be going.

the societies believe they are still as much as £200-250m a month short of the funds to match demand, let alone overcoming the huge backlog which has built up.

Though the Anglia Hastings and Thanet scheme is for large loans only and the additional costs will be passed on to the big borrowers, societies will be primarily concerned about the wider impact on their interest rates if they decide to raise more expensive wholesale money for general use.

Under the present constraint of the mortgage rate, the societies have little room for manoeuvre. To raise sufficient funds to finance mortgage demand, the societies should be contemplating a mortgage rate in excess of the record 12 1/2 per cent due in January.

Bank advances for house purchase stood at £244m in the quarter ended this August against £108m a year earlier and the total is growing.

BY MICHAEL CASSELL

£574,000 rail grant aids port

THE Ministry of Transport will grant £574,000 to Immingham Rail Freight Terminals towards providing a rail-served warehouse at Stallingborough near Immingham, South Humberside.

Shoe industry deliveries down

DELIVERIES in the footwear industry in the three months ended August this year, were estimated to be 1 per cent lower, on a seasonally adjusted parage basis, than in the three previous months, according to Department of Industry statistics.

than in the three months ended May 1979, while at the end of August orders-on-hand were 28 per cent lower than at the end of May this year.

'Big rise in N. Sea oil prices'

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil prices could rise to between \$45 and \$65 a barrel in real terms by the end of the century, according to the latest projections of the Department of Energy.

A departmental report on national energy policy published yesterday says that officials feel that old prices could rise between 1.75 and 2.5 times present levels.

North Sea oil, which accounts for some of the most attractive types of crude traded in the international market, is now being sold on a contract basis for up to \$26.27 a barrel. It is among the most expensive oil in the world—commanding a price nearer to \$40 a barrel on the spot cargo market.

The report says that price increases would be influenced by the rate of world economic growth. As prices rose there would be a general transition

towards the use of fuels other than oil.

"The world's energy problem is to manage this transition smoothly so that it takes place with minimum impact on growth, employment, living standards, the balance of payments and individual liberties."

The world's energy problem was both serious and urgent, the report continues. Because major energy projects involved lead-times of 10 years or more, most of the decisions which would affect energy supplies over the next decade had already been taken.

The report is based on a paper presented to the City University in May by Sir Jack Rampton, Permanent Secretary at the Energy Department. However, typically it includes the warning: "What has happened in Iran shows that we cannot rely on the future being free of

unpleasant surprises. We cannot assume that even when energy exists it will, in fact, be available."

The UK is fortunate, the report goes on. It has substantial reserves of oil (2.3bn to 4.2bn tonnes) and of gas (the equivalent of a further 1.3m tonnes of oil), and very large reserves of coal (45bn tonnes worth, enough to last 300 years at present extraction rates). The country had a well-developed national electricity grid system and considerable experience of nuclear power.

Stocks of depleted uranium in the country had the energy content of 40bn tonnes of coal if used in fast breeder reactors. The UK also had one of the best sites in the world for a tidal barrage (the Severn Estuary) and had access to considerable energy potential in the waves.

Consequently, net energy self-sufficiency would last for "some years" from 1980. But this self-sufficiency did not isolate the UK from the world's energy problems. In one sense it added to them.

"While we are self-sufficient our balance of payments, and so our exchange rate, will be stronger than they would have been had we been energy importers. This could affect our ability to export against the time when we have once again to pay for energy imports."

The report advances five ways of reducing future energy risks: flexibility in planning, diversification of supply, co-operation between producers and consumers, conservation and efficient use of energy, and greater public understanding of the problems.

"National Energy Policy," Energy Paper No. 41; SO, £1.50.

British Airways' profits 50% down

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS' profits for the first half of this financial year, from April 1 to September 30, fell by nearly 50 per cent compared with the same period last year, in spite of big increases in traffic and revenue.

The net profit for the six months, after interest, tax and other charges, and including profits from subsidiaries, was £57m compared with £116m last year.

Mr. Ross Stainton, chairman, said yesterday that these results "show a marked deterioration" in the airline's finances.

"Although revenue rose by nearly 12 per cent, the increase was more than offset by a 20 per cent rise in expenditure, due mainly to a 44 per cent rise in the fuel bill."

Passenger, cargo and mail traffic on scheduled services increased by 16 per cent. But because the capacity offered (the number of seats and the amount of cargo space for sale) rose by 9 per cent, the airline's load factor rose from 63 per cent to 67 per cent.

Mr. Stainton said the average earned from each passenger decreased 4 per cent, due partly to the greater number of passengers flying at cheaper fares, and partly to the reduced sterling value of revenue earned abroad, because of the strengthening of the pound against foreign currencies.

"More than half of British Airways' revenue is earned overseas," he said.

The effect of this drop in yield was worsened because of the time lag between fuel price rises and compensating fares Mr. Stainton said the airline was trying to minimise the effects of fuel price rises—one, announced, is a cut of 5 per cent in fuel consumption this winter, which may mean some cuts in flights.

Higher productivity 'vital for chemicals industry'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

CHEMICAL COMPANIES operating in the UK are likely to start closing some of their less profitable businesses in an attempt to improve overall productivity, Mr. Eric Sharp, chairman of the U.S.-based Monsanto's UK operation and newly elected president of the Chemical Industries Association.

Mr. Sharp, whose appointment was announced last night, says the productivity of UK chemical companies is still behind that of French and German competitors. He says the British chemical industry needs to improve its performance by about 5 per cent over the next few years if it is to catch the best Continental groups.

One way in which companies can improve their productivity is by pulling out of unsuccessful areas which do not fit with their main business. Monsanto has gone some way along this road—in May it closed its European nylon business at the cost of 2,300 jobs of which 1,500 were in the UK.

But Mr. Sharp does not believe that moves towards higher productivity will necessarily lead to cuts in the UK chemical industry's total workforce. He claims that a strong industry will be able to expand and so "mop up" the extra people.

He believes an improvement in performance is essential if the industry is to overcome the difficulties it faces and he warns that this winter could be tough for UK chemical companies. Chemical imports to the UK are 20 per cent higher than last year, while exports have remained "flat." Meanwhile, there is a danger that some companies will be unable to rely on secure energy supplies—particularly gas supplies.

"Energy is likely to be our biggest problem this winter,"

Mr. Sharp says. "I'm hoping to have discussions with Sir Denis Rooke, chairman of the British Gas Corporation, to see what can be done to improve the supply position for chemical plants. A dialogue between the chemical industry and the corporation is long overdue."

It is likely the discussions with British Gas will centre on the starting up of new plants which need gas either as a feedstock or for power. The corporation has said it cannot take on new customers, but the Chemical Industries Association points out that a rigid attitude by British Gas will result in costly chemical plants lying idle. Mr. Sharp says firmly that "we do expect that the corporation might be more generous."

imports although he is quick to stress that Monsanto in the U.S. is "not involved."

He says U.S. attention seems to be focused chiefly on third markets through the European chemical industry is meeting U.S. competition from sectors such as polyester and nylon carpets.

"If the import penetration of major sectors of the UK economy continues, this will inevitably restrict the opportunity for home sales of chemicals. Imports account for more than 75 per cent of home demand for synthetic fibre textile products. There has also been a significant penetration of the UK home market for motor cars by overseas car manufacturers—imports account for 50 per cent of home demand. Both these sectors are important downstream customers for chemicals."

In spite of fears of competition from abroad and energy shortages at home, Mr. Sharp says he would like to achieve greater recognition of the chemical industry's contribution to the British economy during his two years as president. He succeeds Sir Raymond Pennock, of Imperial Chemical Industries in the presidency, but, unlike Sir Raymond, he has not spent 30 years in the chemical industry.

"It is disturbing that the chemical industry has constantly had to plead for recognition of its special needs for continuity of supply as well as a rational pricing policy for energy and feedstocks," Mr. Sharp says.

"Unlike the energy industry cannot pass on to its customers and its customers' customers the full increase in energy and feedstock prices."

Mr. Sharp says the other threat facing the UK chemical industry this winter is the possibility of an increase in imports—particularly from the U.S. He speaks of the "burden" of U.S.

Overseas student applications fall 8%

By Michael Dixon, Education Correspondent

AN 8 per cent fall in applications from overseas students to enter UK university courses next year was reported yesterday by the Universities Central Council on Admissions.

Next year, fees for overseas entrants will be raised an average of 150 per cent. Staff and students of higher educational institutions are protesting against the increases.

The council's first count of new applicants—made annually on October 15, when about a fifth of total applications have usually arrived—showed 1,964 overseas candidates for entry in 1980.

This compared with 2,131 considered for entry this year, when fees for foreigners were raised 33 per cent, bringing the charge for undergraduates to £940.

But the 1,964 candidates for entry in 1980, who will face fees of at least £2,000 for arts and social studies and £2,000 for science and technology, are still up by 8 per cent on the applicants for entry in 1978 when the undergraduate fee was only £705.

The council's figures also show a 1 per cent increase—from 27,791 to 28,156—in the number of UK applications for the 1980 intake. Unlike overseas students almost all UK entrants have their fees paid by State funds.

Bullion dealer calls for banks to intervene on gold market

BY DAVID MARSH

CENTRAL banks should intervene on the gold market to help reduce price volatility, according to Mr. Robert Guy, director of London bullion house N. M. Rothschild.

He told a conference in Johannesburg, central bank participation in the market would be a logical consequence of the decision taken by many countries to revalue official gold reserves at a market-related level.

"It seems strange to revalue and then not feel free to either support the price in order to protect one's reserve assets, or to sell into the market if it is felt that the price is too high and the proceeds could be better used in another asset," he said.

The suggestion that major central banks intervene on the

gold market was briefly discussed—mainly at the initiative of the U.S.—during the International Monetary Fund annual meeting last month, but no action was taken. This is the first time a prominent member of the international bullion community has mentioned the idea.

Mr. Guy said he was not advocating a new Gold Pool—a reference to the system in force between 1965 and 1968 under which central banks tried to prevent the market price exceeding the then official level of \$35 per ounce.

But intervention by central banks "would help to reduce the very volatility of which some are so quick to complain."

Gold valuation procedures by individual central banks varied

greatly. Mr. Guy suggested central banks should revalue in a common manner on the basis of the system used for the partial pooling of reserves in the European Monetary System.

EEC central banks set a new valuation every three months for 20 per cent of the gold in their reserves, on the basis of the average market price over the preceding six months, or the average on the penultimate working day in the period, whichever is the lowest.

The UK Government's decision last month to abolish restrictions on British residents' holding of gold would give further encouragement to suggestions for setting up a gold futures market in London, Mr. Guy said.

Institute of Directors names Scots organiser

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE Institute of Directors has made its first staff appointment outside London by recruiting a full-time organiser for Scotland.

Mr. Donald Hargreaves, director of a small business and organiser of the Scottish pro-European campaign in the EEC referendum in 1975, began work yesterday from an office in Edinburgh as the Institute's Scottish director.

He said he hoped considerably

to increase the present membership of 700 directors belonging to one of the four "circles" in Edinburgh, Glasgow, Dundee and Aberdeen.

"I hope that we will not become known as merely a group of directors from famous large companies. We must attract members from small firms because they need support most."

CONTRACTS

Steel sheets to improve canal

BRITISH STEEL CORPORATION has won an order worth over £2.5m to supply sheet piling to the British Waterways Board for the South Yorkshire Canal improvement scheme. The canal, opened more than 250 years ago, is one of the oldest navigable inland waterways in the UK.

Produced at BSC works at Scunthorpe and Cargo Fleet, Teesside, the piling will be used in the reconstruction of nine locks and in improving the 15-mile navigation channel between Doncaster and Rotherham. Deliveries are being spread over three years.

Costing about £10m the canal improvement scheme will enable vessels up to 700 tonnes d.w. to reach Mexborough, and those up to 400 tonnes d.w. to reach Rotherham.

BRITISH AIRPORT EQUIPMENT group, a consortium of aviation ground support equipment manufacturers, has won a £1m contract from the Nigerian Airports Authority for the newly opened Murtala Muhammed airport at Lagos. BAE are the only British suppliers to receive an order for this big new airport styled on Schiphol, Amsterdam.

The terminal building will have 31 checking-in positions.

Manufacturers involved in the contract are Reliance-Mercury (towing tractors for Boeing 747 aircraft), Cargomatic (aircraft loaders), CM Aviation GSE (toilet and water servicing vehicles), Weldwork Cargo Systems (container storage equipment), Raynar Power (air conditioning unit), Watergl Engineering (stairs and two bars), AMREC (maintenance services).

The Port of Singapore Authority has placed an order worth over £300,000 for 44 Haulmajor roll-on, roll-off dockyard tractors from the Halifax-based company Reliance-Mercury.

The Post Office is to buy 880 specially designed 120 band modems from ATS TELEMETRY, Raywards Heath, for use with the PO's planned national radio paging system. ATS has also developed a micro-processor encoder to enable different manufacturers' "bleepers" to interface with the network. Valued at £200,000, the modem and encoder equipment will be installed over the next two years, to provide a service for 1.4m customers throughout the UK.

"Why I fly via Frankfurt? Just look at that timetable!"

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LABOUR NEWS

New dispute at the Times

BY CHRISTIAN TYLER, LABOUR EDITOR

A DEMARCATION dispute has broken out at the Times only days before it is due to reappear after its 11-month shutdown.

Graphical and Media Personnel. Last night, the Times said that the dispute was not considered a serious threat to republication of the newspaper.

The aim was to secure agreement on new disputes procedure, manning levels and co-operation with new technology.

UK NEWS

ENERGY REVIEW

Bad dreams at Belvoir Vale

BY JOHN LLOYD



The two faces of Belvoir—the traditional past and the possible industrial future

THE SUCCESS of pressure group politics depends upon making a case which, though it may draw its immediate inspiration from local grievances or fears, has universal, or at least national, significance.

projects through the various planning stages might mean that only 10m tonnes of new capacity would be on stream by 1985, as against the 20m tonnes planned.

Mr. Mills went on to assure his listeners that this would not mean that the NCB would fail to meet its target of 120m tonnes of deep-mined output by 1985—it would be achieved by "a slower rate of exhaustion and the more extensive development of existing capacity."

ment to subsidise the wielders of rods for what would usually be their own backs may be understood; but Mr. Hall's complaint found much sympathy.

mineworkers to ease the development in the Vale with the least possible hostility (rather than merely sheltering behind the juggernaut of the NCB) is an impressive feature of the inquiry.

As a general rule, this will do. It needs qualification in each particular case, of course. A pressure group in a village which wants a road to curve away from, rather than through, it (or vice versa) does not have to make much of a case for or against motor transport: its defence implicitly rests on a shared concept of the value of rural peace.

This means, first, that every witness whom the NCB brings for the defence of its proposals may be cross-examined by a variety of lawyers; and second, that the groups themselves may bring as many witnesses as they choose to argue a contrary case who will, presumably, have to submit to NCB cross-examination.

Yet it has not wished to do so: it has been pushed by a combination of environmental restraints and the reluctance of the National Union of Mineworkers to agree to a speeded-up programme of pit closures.

Second lesson The second major lesson to be gleaned from the inquiry to date is that the Coal Board is taking the proceedings extremely seriously.

Thus the NCB is not so self-assured as the measured evidence of its counsel would suggest: it still sees itself battling for the re-establishment of its case with the present Government.

NCB proposal

It is with Belvoir, where the NCB's plans for the new three-shift mining development which would produce 10m tonnes of coal a year for the next half century. The inquiry into the proposal began last week and will last for months.

There is clearly a large public gain here. The NCB's Plan for Coal, created necessarily rapidly in 1973-74 on the back of the first oil crisis, is a far reaching one, based on a host of energy projections and assumptions.

There is a subsidiary point here, one raised by Mr. David Hall, the director of the Town and Country Planning Association. In a statement to the inquiry, the association, which had intended joining the queue of pressure groups, has been forced to withdraw because of a strained budget.

Mr. Alexander may formally address Mr. Mann, but behind the inspector on the day of the inquiry last week, the Prime Minister, whose enthusiasm for nuclear power is well known and whose birthplace, Grantchester, is not five miles away from the inquiry hall.

Mr. Alexander may formally address Mr. Mann, but behind the inspector on the day of the inquiry last week, the Prime Minister, whose enthusiasm for nuclear power is well known and whose birthplace, Grantchester, is not five miles away from the inquiry hall.

Table with columns: FOOD PRICE MOVEMENTS, November 8, Week ago, Month ago. Rows include BACON, BUTTER, CHEESE, EGGS, LAMB, PORK, POULTRY.

LORD ROBBINS URGES A SINGLE EUROPEAN CURRENCY

'Western Europe must unite to survive'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE CREATION of a single monetary unit in Western Europe in order to curb inflation and to produce stable conditions was urged last night by Lord Robbins.

Lord Robbins, Professor of Economics at the London School of Economics from 1929 to 1961 and chairman of the Financial Times from 1961 to 1970, was delivering the second Maitz lecture at the Centre for Banking and International Finance at the City University.

Lord Robbins also argued that in the long run a system of floating rates could be maintained only if it involved exchange control somewhere or other.

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LORD ROBBINS

"I doubt very much whether eventually the different societies of Western Europe will survive unless they are prepared to readjust to some sort of federal unity—and of such unity a common money must be an important, although by no means the only, essential feature."

Federal aim

He stressed the need to go much beyond the present arrangements and proposals since "with different rates of growth in money supply in the different Western European centres, a system of fixed exchange rates must inevitably break down."

Damaging

On the domestic side Lord Robbins stressed his conviction that the control of aggregate expenditure in one way or another is still the main hope of restraining the alarming decline in the value of money which has been the outstanding internal menace to free societies in the years since the second world war.

either way, between the rate of change of output and the rate of change in the money supply lead to damaging changes in the value of money.

Lord Robbins also stressed the need to take account of cost inflation and of some role for variations in fiscal policy.

Failures all

Such circumstances occurred when "inflation having become something of a social menace generally recognised as such, steps are being taken, either by action on the money supply or by appropriate fiscal measures, to bring it under control."

Mr. Gormley made it plain that he did not see the conference claim as more than a target, which probably would not be met this year.

Mr. Gormley, president of the National Union of Mineworkers, said yesterday he thought the committee of inquiry into the Labour Party was "pointless," and that he was quitting the trade union group that demanded it.

Post Office engineers back action

POST OFFICE engineers yesterday voted to take industrial action over a claim for pay increases of 10 per cent if an attempt to take the claim to arbitration failed by January.

nothing is coming into or out of our Greater Manchester locations. The strikers, members of the Transport and General Workers' Union, handle the movement of goods internally and between the various factories.

Mr. Gormley, for five years chairman of the party's important organisation committee, in the 1960s, said that the party conference decisions in October meant that the inquiry was a "farce."

Drivers' strike may close 15 Manchester factories

PRODUCTION at Ward and Goldstone's 15 Greater Manchester factories is threatened with a total shutdown from tonight because of a strike by 36 transport drivers.

Seamen's talks continue

THE National Union of Seamen, representing 31,000 ratings, received yesterday an improved offer from the General Council of British Shipping.

Miners accept timing change

By Christian Tyler, Labour Editor

MINERS' UNION leaders voted narrowly yesterday to accept the Coal Board's proposed timing of their next wage deal. But they confirmed that the board's outline offer of between 11 and 15 or 16 per cent was just too low.

By 13 votes to 12, the national executive of the National Union of Mineworkers accepted a timetable that would restore their traditional pay anniversary date of November 1, but not until 1981.

Outside NUM headquarters in London about 300 miners from Scotland, Wales, Nottinghamshire and other areas shouted "no sell-out" as the executive arrived to consider the board's latest position.

British Steel to lift Ravenscraig threat

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE BRITISH Steel Corporation will lift its threat to suspend production at Ravenscraig, one of its largest and most modern plants, when the first ore is unloaded at the Hunterston terminal on the Clyde on Monday.

that the suspension threat would be lifted immediately ore landed on the quayside.

Earlier this week the corporation said it might still have to close the steelworks from the end of the month in spite of the settlement of the inter-union dispute that has kept Hunterston idle since it was completed last spring.

A Norwegian bulk carrier, the Ancora, is heading for the Clyde from Rotterdam where she has been waiting for the dispute to end. She will unload 118,000 tonnes of Brazilian ore on Monday for transportation to Ravenscraig by rail.

Shell tanker drivers reject 20% pay offer

BY NICK GARNETT, LABOUR STAFF

SHELL'S tanker drivers and distribution manual workers have voted to reject the company's pay offer, worth about 20 per cent.

Shell tanker drivers reject 20% pay offer

Once these proposals have been made—and almost certainly rejected—a new round of talks with the companies will begin.

Shell tanker drivers reject 20% pay offer

Both companies have offered improvements in conditions which Shell estimates at about another 2 per cent.

THE PROPERTY MARKET BY MICHAEL CASSELL

Sainsbury not going to Dodge City

SAINSBURY'S DECISION to enter the UK do-it-yourself retail market with a foreign partner has upset Dodge City the fast growing, privately owned DIY superstore chain.

Dodge had been expected to link with Sainsbury in a joint venture to develop a new £3m shopping complex, including a 40,000 sq. ft. Dodge DIY superstore and garden centre on a ten-acre site in North Leeds.

But Sainsbury's chairman Sir Richard Northcott to say that his company will not be asked to take part in the project after all. This follows Sainsbury's link-up with Belgium group GB-Immo-BM to form a new joint company to attack the £1.5bn British DIY market.

Sainsbury yesterday accepted that Dodge's name had been included in the original planning application to develop the Leeds site but said that there had been no legal or formal agreement between the two companies.

"We accept that it had been understood that Dodge would be involved but the situation fundamentally changed with our agreement with the Belgians. We naturally regret what has happened but clearly once we decided to enter this market with our Belgian partners we could not go ahead with Dodge," said a spokesman.

Last March, Sainsbury won the tender to develop the site

Arrowcroft in £20m development

ARROWCROFT is to develop Stafford's £20m central redevelopment scheme in partnership with Standard Life Assurance.

The fully-pedestrianised project will provide 150,000 sq ft of shopping space, a new market and a 400-space car park. It will be carried out on a four-acre site in the conservation area close to the market square.

Construction of the Stafford scheme is expected to start in about a year's time, with completion due in 1982.

Arrowcroft now claims to be one of the most active developers in terms of current central area redevelopment schemes and industrial partnership schemes with local authorities.

The Stafford project is the second scheme to have been awarded to the group by a local authority in the past month. In October, the London borough of Hammersmith awarded Arrowcroft a £16m industrial development scheme at the White City, which will entail 300,000 sq ft of factory and warehouse space as well as a 30,000 sq ft office block.

Elsewhere in the UK, the group has joined Cruden Developments in a 140,000 sq ft retailing scheme at Chester, while in London it has been joined by Royal Insurance in developing the Bankside industrial centre near Blackfriars Bridge, which will offer around 42,000 sq ft in individual units.

London—'No more offices needed'

GREYCOAT ESTATES would be better off building offices in Bexleyheath or Barking than on the south bank of the Thames because there could soon be little need for new office space in central London, according to town planner Peter Brown.

Mr. Brown, who has just given evidence at the Coin Street inquiry in support of the action group opposing the mixed office-housing-leisure complex, plainly believes that any developer contemplating a scheme of Greycoat proportions on the south of the river has not done his homework about future demand for office space in London.

Mr. Brown also claimed that Greycoat wished to create the "bustle and brass excitement" associated with West End night life and said that it could not simply be transplanted onto the Coin Street site.

Greycoat would clearly disagree on both points, but what Mr. Brown had to say about the future for offices in the capital will give developers, investors and estate agents something more to think about on a new familiar theme.

He spelled out a picture of growing decentralisation from London, with declining numbers of people seeking work in the centre and demand for office space also dwindling.

Mr. Brown highlighted and endorsed earlier evidence to the inquiry which suggested that micro-chip technology could itself create a 20 per cent cut in office employment in the next decade or so.

In recalling that the decline in central London office employment in the five years up until 1976 was over twice the rate in the previous five years, Mr. Brown claimed that public service jobs—which have accounted for a large proportion of London job opportunities—are now about to decline. In addition, employment in the so-called "growth services," such as banking, insurance and business services had already started to fall.

His gloomy scenario may not square with the present situation in the City and West End, where good space is more hard to find than at any time in the past five years and he claimed current high rents only showed that offices were financially viable, not that they proved the need for more or that such developments were "socially or economically necessary."

Tesco campaigns for building allowances

TESCO is busy gathering support for a campaign to get industrial building allowances extended to all new retail premises.

The group's finance director, Mr. Ralph Temple, is lobbying hard to secure changes in what he describes as the discriminatory nature of the allowance system and which, he claims, both major parties have acknowledged.

Current allowances now effectively provide manufacturing investors with full depreciation on capital expenditure and are available on all industrial buildings.

Mr. Temple says: "Although there is general recognition that the discrimination between industrial and commercial property is unfair, nothing is done."

The Tesco case is that the retailing sector has come a very long way since industrial building allowances were first conceived and that now it is increasingly dependent upon the development of large, cost effective units housing a range of advanced storage and processing facilities.

Mr. Temple claims: "The only similarity between modern retailing outlets of this scale and their pre-war predecessors is that both are still called shops. Otherwise, they bear virtually no resemblance to each other."

He adds: "The ridiculous thing is that if I manufactured lolly-pop sticks I would qualify for capital allowances, yet as someone who wishes to invest in a sector of the economy which has become increasingly important in recent years I am denied any such consideration."

The availability or otherwise of building allowances clearly has major implications for an operator of Tesco's size. The group has about 530 branches in the UK and in its current financial year expects to spend over £100m on its branch network, the bulk of that sum involving new construction.

In the six years ending last February, Tesco spent just over £82m on store expansion and, with the IBA, could have expected to offset about half that figure in allowances.

But while any move to extend allowances into the retailing sector would clearly not do any harm to Tesco's own finances, Mr. Temple says he has much wider interests at heart.

"We are asking the Government to amend the Capital Allowance Act 1968 not simply to safeguard the essential provision of neighbourhood shopping, but also to guarantee continuing investment in units that have a proven value in containing price inflation by the application of the economies of scale to retailing."

As a group, we confront enormous volumes of capital expenditure and while we readily accept that stock appreciation relief has been a big help that won't go on forever."

IN BRIEF

Peranka Investments has paid "well over" £300,000 for 20-23 Widegate St., City—featured in this column in August after being sold earlier in the year for around £150,000 and put back on the market at an asking price of £342,000. Healey and Baker acted for Peranka and Baker Harris Saunders represented the vendors.


Fleming Property Unit Trust have purchased the freehold interest in a 3,000 sq ft reversionary office building at 3, Deanery St., W1 for more than £510,000. They were advised by Lambert Smith and Elliot Son and Boyton represented Capital Life Assurance.

Brooke Bond Liebig Pension Fund has purchased a recently completed industrial scheme on the Molly Millers Lane estate in Wokingham. It paid about £125m for the investment, which has a current income of £23,400 a year, and was advised by Jones Lang Wootton.

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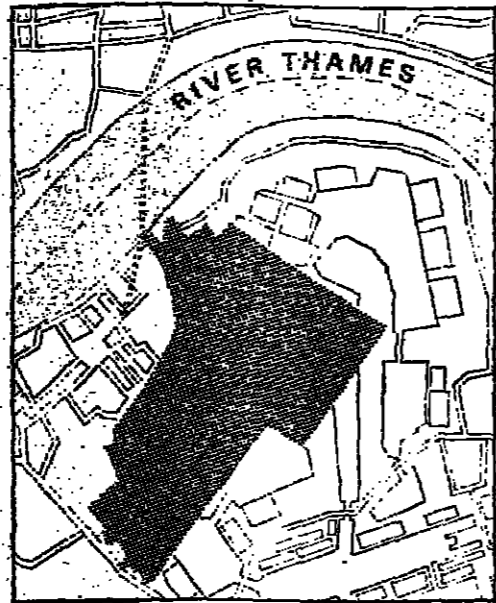
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For full details contact: Brian Hirst, FRICS Director of Industry and Commerce,

Docklands Development Organisation, Blackfriars House, 19 New Bridge Street, London EC4V 6DB.

Telephone: 01-583 0616. Telex: 919443 GLCHQ G.

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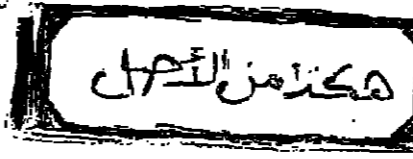
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UK NEWS—PARLIAMENT and POLITICS

Thatcher demands report on BBC's filming of IRA

BY ARTHUR SANDLES

THE PRIME MINISTER has asked for a report on a BBC Panorama crew's filming of IRA activities in Northern Ireland.

Last night the BBC said its governors had been informed of what would appear to be a clear breach of standing instructions.

Both Mrs. Thatcher and Mr. James Callaghan, the Opposition Leader, angrily condemned the activities of the Panorama team.

Mr. James Maloney, leader of Ulster's Official Unionist Party, demanded that the names of the BBC staff involved in "this reasonable activity" should be sent to the Director of Public Prosecutions.

We have had occasion to raise similar matters with the BBC. The Home Secretary and I think it is time that the BBC puts its own house in order.

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Howe fights off MLR rise queries

BY IVOR OWEN

PREDICTIONS BY Labour MPs that the Minimum Lending Rate will be increased next week met a stonewalling response from Sir Geoffrey Howe, Chancellor of the Exchequer, yesterday.

Mr. Denis Healey, the former Labour Chancellor, roundly condemned Sir Geoffrey's handling of the Economy. He asserted that with the increase in the Retail Price Index caused by the Budget, the inevitable rise in mortgage interest rates in January and the expectation of higher rents, rates and fuel charges, an inflation rate of more than 20 per cent was now guaranteed in the New Year.

'Speculate' Sir Geoffrey retorted: "You should not speculate on interest rate movements of that kind."

at the Stock Exchange, which had also given him "the thumbs down."

Mr. Robert McCrindle (C. Brentwood and Ongar) asked if the CBI having indicated its satisfaction with Government policies, the Chancellor was fully satisfied with the response from industry in terms of investment following his "incentive" Budget.

Commenting on a claim by Mr. Robert Cant (Lab., Stoke-on-Trent, Central) that monetary growth was running at 16 or 17 per cent, Sir Geoffrey pointed out that the figures for a single month were erratic.



Sculptress Karen Newman adds a finishing touch to her wax portrait of Sir Harold Wilson. It will be the fourth successive version of the former Prime Minister to be displayed at Madame Tussaud's in London.

Rhodesia pact with Opposition

THE GOVERNMENT sailed safely out of stormy waters on its Rhodesia enabling Bill in the Commons last night after a behind-the-scenes deal with the Opposition.

Ministers were known to be anxious to avoid a bitter debate in the House, fearing that that might jeopardise the Lancaster House conference.

Meriden given more time to repay cash

THE GOVERNMENT has granted the Meriden motorcycle co-operative a temporary reprieve over the repayment of £125m in overdue interest.

Kampuchea call

THE GOVERNMENT is to make a statement "in the near future" on Britain's recognition of the Pol Pot regime in Kampuchea.

Daimler switch

MRS. THATCHER, the Prime Minister explained last night why she has swapped official cars. Her decision to be driven by Daimler caused a storm since after she took office, in a Commons written reply she said: "I shall be replacing two Rover cars because they have been in constant use since 1972 and have covered very large mileages."

Home funding

THE Department of the Environment is to set up a group of experts to study the availability of finance for home ownership.

Poppy crime

MUGGINGS of Remembrance Day poppy sellers was condemned in the Commons by Mrs. Thatcher yesterday as "about the most reprehensible and disgraceful action that anyone can possibly imagine."

Select Committee membership published after delay

MEMBERSHIP of the Select Committees that will "shadow" the work of Government departments was published yesterday on the Commons Order Paper.

DEFENCE Sir Frederic Bennett, Mr. John Catteridge, Mr. Bernard Conlan, Mr. Bruce George, Dr. John Gilbert, Sir Timothy Kitchin, Sir John Langford-Holt, Mr. Allen McKay, Mr. Michael Mates, Mr. Canley Onslow, and Mr. Patrick Wall.

INDUSTRY AND TRADE Mr. Kenneth Carlisle, Mr. Stan Crowther, Mr. Peter Emery, Mr. Derek Foster, Sir Donald Kabery, Mr. Russel Kerr, Mr. Thomas McNally, Mr. Robin Maxwell-Hyslop, Mr. Ian Mikardo, and Mr. Donald Thompson.

WELSH AFFAIRS Mr. Keith Best, Mr. Ioan Evans, Sir Raymond Gower, Mr. Tom Hooson, Mr. Geraint Howells, Mr. Roy Hughes, Sir Anthony Meyer, Mr. Geraint Morgan, Dr. Roger Thomas, Mr. Alan Williams, and Mr. Delwyn Williams.

SCOTTISH AFFAIRS Mr. Norman Buchan, Mr. Donald Dewar, Mr. Peter Fraser, Mr. Barry Henderson, Mr. Norman Hogg, Mr. John Home Robertson, Mr. Robert Hughes, Mr. Ian Lang, Mr. Albert McQuarrie, Mr. Martin O'Neill, Mr. Alex Pollock, Mr. Iain Sproat and Mr. Allan Stewart.

H.M.S. Ganges. The Former Royal Naval Training Establishment. Shotley, Ipswich, Suffolk. For sale by Auction, at a disclosed reserve of £300,000.

INVESTMENTS FOR SALE. PORTSMOUTH. Secondary shop premises, yielding £12,000 per annum gross.

Office Relocation

1. The Government has undertaken a review of inner city policy, relaxed the controls on office development in London and is examining the 'Whitbread' dispersal programme.

APPOINTMENTS

General Manager Property Development. Our client is SIR ALFRED McALPINE and SON LIMITED who have recently formed a new subsidiary to handle their property development interests.

SENIOR MANAGEMENT IN THE SWIRE GROUP. SWIRE PROPERTIES c. £25,000. This rapidly expanding property investment and development company with total assets of over £150 million in Hong Kong, the Pacific Basin and the United States is making a new senior career appointment to join the company's small senior management team.

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

Simon Boyd. Financial Times, Bracken House, 10, Cannon Street, London EC4P 4BY. Tel: 01-248 5122 (direct line) 01-248 8000, extension 7186.

F. H. Scobie and Associates, Management Consultants, 28-29, St. James's Square, London S.W.1.

What was missing at Birmingham

BY JOHN ELLIOTT

THE CONFEDERATION of British Industry's conference is now an established part of the annual round of national assemblies...

Relations

In Birmingham, the 1,100 representatives of companies and employer and trade associations only really seemed at home with personal issues...

Indeed anyone with an interest in improving industrial performance must have been pleased to hear the way that CBI leaders were prepared to condemn the failings of British managers...

That at least was what was happening in Birmingham, although it remains to be seen how the speeches are turned into action in individual companies...

F.T. CROSSWORD PUZZLE No. 4,121

Crossword puzzle grid with clues for Across and Down sections.

ACROSS and DOWN crossword clues including 'Ridicule bear at the double', 'Stray poll taken by church', 'Exacerbates burning (8)', etc.



BY ANTHONY MORETON

So the in-shore fleet has concentrated in its three fish docks and this business is reasonably affluent—sufficiently profitable, anyway, to keep just under 200 seiners in the town and produce wages of £15,000 to £20,000 a year for a deck hand on a middling successful boat...

Carson can win on Stand Easy

OVERTRICK (20-1), Northleach (10-3) and Micklethwait (5-3) saw Willie Carson dominating events at Doncaster on the corresponding day a year ago...

RACING

BY DOMINIC WIGAN

Carson King, a bay colt by Owen Anthony, bids for a hat trick in the one-mile Ollererton Handicap following recent wins at Pontefract and Teesside.

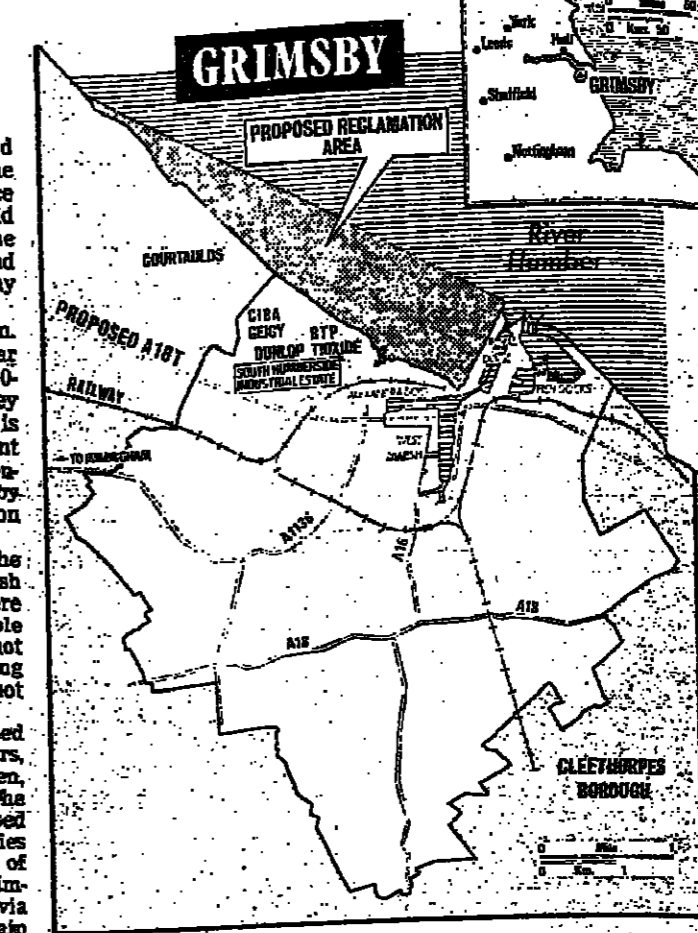
Radio Wavelengths

Radio Wavelengths section listing various radio stations and their frequencies, including BBC Radio London, Radio 1, Radio 2, Radio 4, and Radio 5.

Casting the net wider

BY ANTHONY MORETON

The standard fare, Ross is continually going up market and looking for new lines. Seafood panaceas may be a speciality, anyway, to keep just under 200 seiners in the town and produce wages of £15,000 to £20,000 a year for a deck hand on a middling successful boat...



GRIMSBY (PROPOSED RECLAMATION AREA) map showing the area to be reclaimed and the impact on the town and docks.

ENTERTAINMENT GUIDE

ENTERTAINMENT GUIDE section listing various theatrical productions, operas, and musicals across different venues like the Lyric Theatre, Grand Theatre, and others.

THEATRES

THEATRES section listing specific plays and performances at various theatres, including Drury Lane, Lyric Theatre, Grand Theatre, and others.

Large advertisement for Stone and other products, featuring the text 'Stone' and 'the wooden tru'.

THE ARTS

Cinema

Stone the Pythons! by NIGEL ANDREWS

- Monty Python's Life of Brian (AA) Plaza London Film Festival National Film Theatre This Sweet Sickness (X) Camden Plaza Mad Max (X) Warner West End, Classic Oxford St. Scene Game For Vultures (X) Classic Leicester Square

Get thee behind me, Python. Guaranteed to offend every readily-offended minority among whom Christians in these faith-eroded 1970s must be counted...



Michael Palin as Pontius Pilate backed by John Cleese and Graham Chapman in a scene from 'The Life of Brian'

You name the lapse of taste, Monty Python's Life of Brian perpetrates it. Yet the blasphemy-involving fuss that surrounded the film in America is for fishers of red herrings only...

See and devour also two magnificent period epics by Hong Kong's master of myth King Hu. These are Raining In The Mountain and Legend of The Mountain, and they show that there can be such a thing as a cinema that combines delicacy and spectacle, action and ideas...

French director Claude Miller's adaptation of a Patricia Highsmith novel stars Gérard Philipe as a man helplessly in love with a girl who has rejected him and married another man. He channels that thwarted love into a secret, make-believe inner life...

Miller's movie was snapped up, not surprisingly, by American distributors, and it's thanks to them you're seeing it here. One's only complaint is that they have had the discourtesy to dub the voices from their natural Strine into an ill-matched, and inexpressive American.

Royal Shakespeare Theatre

Julius Caesar by B. A. YOUNG

The combination of Barry Kyle, director, and Christopher Morley, designer, that I so much admired in Measure for Measure has come a terrible cropper in Julius Caesar. Visually, this production seems to me a desperate search for novelty; and dramatically, a half-hearted attempt to introduce the Marxism of the Warehouse into the classic theatre.

One badly-judged casting is David Threlfall's Antony. Mr. Threlfall was justifiably picked by the critics in Plays and Players as last year's most promising new player, but this was mostly for his work in modern plays at the Warehouse. He does not have the voice for Antony; there is a whining quality in it, no real enthusiasm, and a host of dubious emphases.



Ben Kingsley and John Woodvine

Wigmore Hall

Nigel Kennedy by ANDREW CLEMENTS

With stirring memories of Menuhin's Festival Hall performance only 48 hours old, Bach's D minor partita turned up again in Nigel Kennedy's Wigmore Hall recital. Now 23, a product of the Menuhin and Juilliard Schools, Mr. Kennedy is a violinist of quite exceptional gifts.

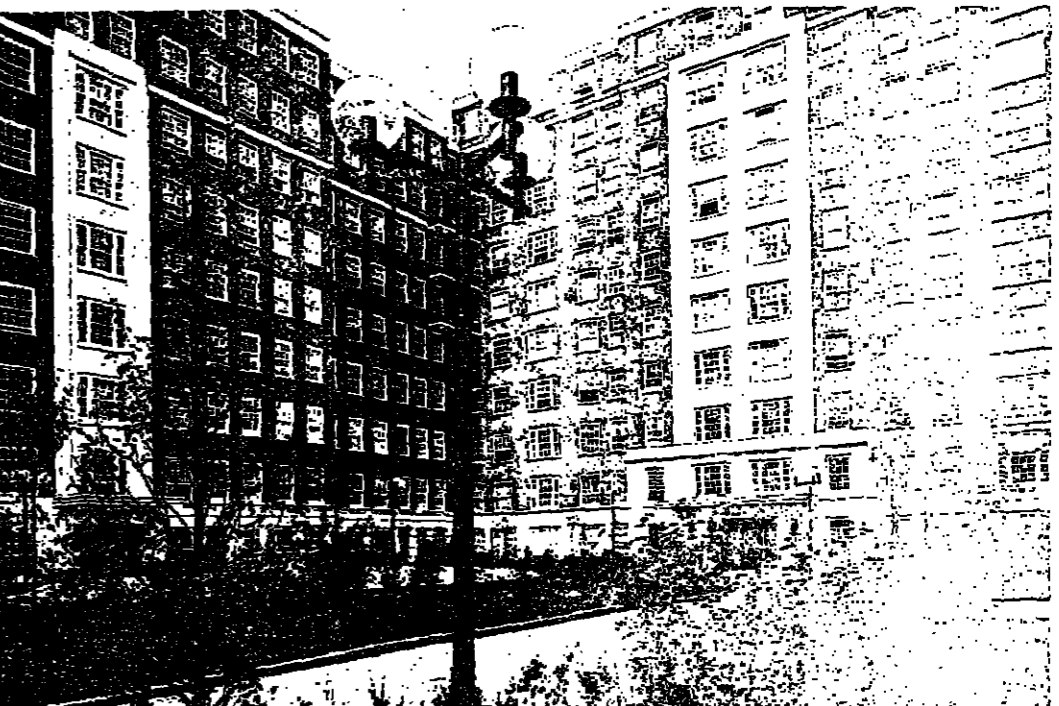
La Bohème by MAX LOPPERT

On Wednesday night Illeana Cotrubas gave her first London Mimi. It proved even more exquisite and more affecting than one dared to hope it would. Miss Cotrubas brought the whole role to life—not only its present but also its past, for with a complete imaginative understanding of the person she was playing she illuminated every phrase in such a way that we felt we had known Mimi all our lives, and all hers.

Buller's Proença by DOMINIC GILL

The oboe gives an A, and the orchestra tunes. But as the tuning hubbub subsides, the A is still sounding: the piece has begun. A soft E from electric guitar joins the oboe, and then a low B flat from a solo voice—a spare, gentle chord, symbol of the dawn of European song after the long night of the Dark Ages.

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Celebrate National Tree Week SAVE A TREE FOR £1

Britain now has a lower proportion of woodland than almost any European country. Hedgerows and hedgerow trees are destroyed at 2,500 miles a year. ... Save trees - save our landscape. We need your help urgently. The Woodland Trust is working to safeguard woods throughout the country. ... 1. SAVE A TREE FOR £1. 2. JOIN THE WOODLAND TRUST.

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UK COMPANY NEWS

Companies and Markets

Strike-hit Staveley falls £4m at halfway

MAINLY reflecting the impact of the engineering strike, first half 1979-1980 profits before tax of Staveley Industries are much worse than expected, showing a drop from £5.45m to £1.53m.

the foundry products and abrasives group this sector was particularly badly affected; and the strikes also had a very serious effect on two machine tool companies.

with considerable prospects for growth. Sir Harry plans to retire from the chair at the end of the year. He will be succeeded by Dr. A. Frankel, the present deputy.

comment With interim trading profits halved, Staveley Industries now faces more of the surgery that set it on the road to health ten years ago. The engineering dispute has clearly made substantial inroads into profit and turnover, but even without the strike performance would have been held back by the foundry and parts of the machine tools operations.

Unconnected with the strike, the group is also experiencing problems with a Middle East contract and provisions against possible losses have been made at this stage.

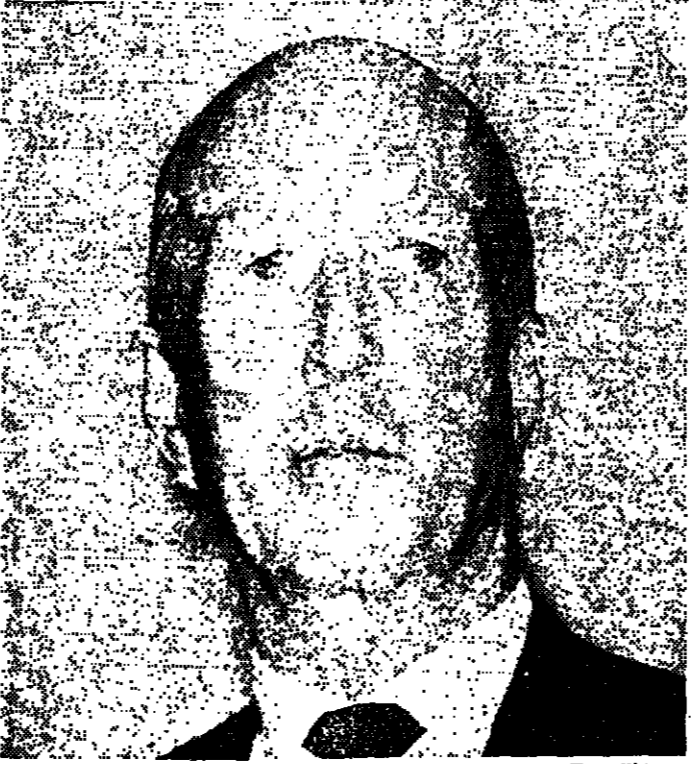
The interim dividend is being held at 4.5p and the present intention is to recommend a final of not less than the 7.5p paid last year.

Table with 2 columns: 1979-80, 1978-79. Rows include Sales, Profit before tax, Taxation, Net profit, etc.

Sir Harry Moore, chairman, points out that at the AGM he warned that interim results were likely to be well down mainly due to the difficult trading conditions in the foundry products and abrasives group.

He reports that in addition to this the engineering strike completely disrupted operations in a number of divisions in August and even more so in September.

The chairman explains that because of the continuous character of the operations of



Sir Harry Moore, chairman of Staveley Industries... some second-half recovery forecast.

Milletts slips midyear in face of VAT rise

WITH TRADING depressed by the substantial VAT increase in the six weeks before half time, pre-tax profits of Milletts Leisure Shops fell from £856,000 to £596,000 for the half-year to July 30, 1979.

Turnover of the group, which was made public last December, rose by 16.4 per cent from £55m to £64m.

As stated in December's prospectus it is intended to pay interim and final dividends in November and July respectively.

Trading surplus for the six months was up £102,000 to £806,000 for the half-year, before depreciation of £140,000 (£112,000), interest of £71,000 (£68,000) and the surplus last time on property disposals.

With SSAP 15 applied, tax took £98,000 (£107,000). The interim dividend absorbs £104,000, with the chairman and his wife waiving their entitlements to the extent of £49,237.

Further development activities over the six months have been concentrated on the proposed London Hotel, a potential marina development in the South East and a number of longer term projects which could widen the group's leisure base still further.

comment Brent Walker is spread right across the "leisure industry" from hotels and shopping precincts to cinema financing and distribution. The company seems to be doing well in each of these areas—pre-tax profits at the half time stage are up nearly 87 per cent, following the 83 per cent leap for last year.

The depression in consumer spending this summer after the VAT hike shows up all too well in the latest Milletts figures. Trading profits are only 8 per cent higher on a sales rise of 16 per cent, though anyone looking for Milletts to come close to the comparable pre-tax figure, which it bolstered by including profits from property disposals, has been sorely disappointed.

Brent Walker 87% up at interim stage

RESULTS of Brent Walker Leisure group, for the 26 weeks to July 15, 1979 show the confidence expressed by the directors at the end of the last full year to be well founded; pre-tax profits forged ahead by 87 per cent from £193,379 to £360,617 despite higher interest of £389,537 against £134,060.

Turnover showed healthy growth in real terms, sales rising £2.2m to £6.1m, and Mr. George Walker, managing director, forecasts a satisfactory outcome to the full year.

comment Whatever the uncertainties on the mortgage horizon profits from Leech should remain on an upward trend in the remaining 12 months of the financial year, if only because the previous £752,000 loss on local authority building will be mostly eliminated.

comment Whatever the uncertainties on the mortgage horizon profits from Leech should remain on an upward trend in the remaining 12 months of the financial year, if only because the previous £752,000 loss on local authority building will be mostly eliminated.

Wm. Leech rises £0.4m so far

ON TURNOVER £4.5m higher at £19.71m, pre-tax profits of William Leech (Builders), the house-building and development group, increased from £1.05m to £1.48m in the half-year to August 31, 1979.

The directors say the current shortage of some loans is bound to affect the group in the year to next February. But they hope this problem will be under control by the time the accounts for the 18 months to August 1980 are reported.

The net interim dividend is raised from 3p to 3.3p—last year a total of 6.64p was paid from profits of £2.34m (£2.2m). After tax of £212,000 (£222,000), stated earnings per 20p share are up from 6.53p to 8.46p.

comment Whatever the uncertainties on the mortgage horizon profits from Leech should remain on an upward trend in the remaining 12 months of the financial year, if only because the previous £752,000 loss on local authority building will be mostly eliminated.

£241,000 and, over the longer term, the nascent leisure division can be expected to make a useful contribution. But, after the White Paper, the local authority market is set to weaken further and it is difficult to escape the conclusion that the housebuilding world has now peaked. Nevertheless, profits should reach at least £2m on an annualised basis for a fully taxed p/e of 8.4 and if the total dividend is lifted by a tenth the shares offer a prospective yield of 12.5 per cent at 84p.

Second half pick-up at Higsons Brewery

AFTER the sharp drop at midway from £665,718 to £141,523 Liverpool-based Higsons Brewery recovered in the second half and pre-tax profits at the end of the year to September 30, 1979, amounted to £1.39m compared with £1.66m previously.

comment Whatever the uncertainties on the mortgage horizon profits from Leech should remain on an upward trend in the remaining 12 months of the financial year, if only because the previous £752,000 loss on local authority building will be mostly eliminated.

comment Whatever the uncertainties on the mortgage horizon profits from Leech should remain on an upward trend in the remaining 12 months of the financial year, if only because the previous £752,000 loss on local authority building will be mostly eliminated.

During the 26 weeks there was further investment in the West-cliff Leisure Centre and Country Club to improve and update the facilities. This reflects the growing success of these activities and their increasing contribution to group results, says Mr. Walker.

SIME DARBY LONDON

Sime Darby London is to repay the whole of its outstanding 5.25 per cent (formerly 7 1/2 per cent) cumulative redeemable preference shares at 97p each, plus the accrued dividend from July 1 to November 15, 1979, inclusive.

comment Whatever the uncertainties on the mortgage horizon profits from Leech should remain on an upward trend in the remaining 12 months of the financial year, if only because the previous £752,000 loss on local authority building will be mostly eliminated.

HIGHLIGHTS

Lex examines the details of BATS' deal with Imperial Tobacco whereby the former will buy out Imps' stake in Mardon Packaging for £85m, and takes advantage of the transaction to update its thoughts on the Howard Johnson deal.

As stated in December's prospectus it is intended to pay interim and final dividends in November and July respectively.

Ansbacher rises to £0.4m at midway

A jump in operating profits was announced by Henry Ansbacher Holdings in its first interim report for the new holding company.

comment Whatever the uncertainties on the mortgage horizon profits from Leech should remain on an upward trend in the remaining 12 months of the financial year, if only because the previous £752,000 loss on local authority building will be mostly eliminated.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date, Correlation, Total last year, etc.

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issues. † On capital increased by rights and/or acquisition issues. ‡ Plus special interim of 0.5p in respect of special dividends received. § At least maintained final of 3.8p expected. ¶ Includes special 7.25p dividend. || Included 1p special payment. ** Includes 0.85p special payment.

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LONDON & MIDLAND INDUSTRIALS LTD Continued growth in sales and profits Results for the Half-Year to 30th September 1979 (unaudited)

هكذا من العمل

Crouch Group Limited

Companies and Markets

LMI sales and profits increase in first half

DESPITE THE disruption caused by the engineering strike, pre-tax profits of London and Midlands Industrials rose from £1.15m in the half-year ended September 30, 1978. Sales were higher at £11.02m against £10.32m.

Group operations continue to expand and, subject to industrial conditions, the directors continue to foresee most satisfactory results for the current year in a greatly expanded group.

Following the amalgamation of Winn Industries last month, in addition to the net cash position, the group has simple additional facilities including a 10-year bank loan on excellent terms which can be taken up whenever it appears expedient, the directors state.

Stated earnings per share are up from an adjusted 6.1p to 6.3p and the interim dividend is raised from 2.55p to 2.9p on increased capital. Last year's total was 7.0p from pre-tax profits of £2.12m.

Following the rights issue and the exceptional profits achieved last year, the balance sheet at September 30 with its significant cash balance has strengthened further with retentions from the profits of the current year, the board says.

The acquisition of Winn Industries marks a major expansion of the industrial base and size of operations and the directors look forward with confidence to the benefits which will come

Table with 2 columns: 1979, 1978. Rows include Engineering sales, Consumer goods, Total sales, Profit before tax, Tax, Net profit, etc.

comment

Shares in LMI bumped down 1p to a new annual low yesterday, 55p - a slight not uncommon in the sector at present - but the group appears to have come through the engineering dispute tolerably unscathed.

balance. The acquisition of Winn Industries enlarges the group significantly and, like LMI, it straddles the engineering and consumer product sectors. Expectations are obviously clouded by the prospects in the engineering sector but, taking the last 12 months' profits reported by both companies, the fully diluted and taxed p/e is 7.2 historical. That like a yield of 12.5 per cent (assuming a total dividend rise of a tenth), looks reasonably in line with the industry but possibly overlooks the fact that the combined group has net cash balances in excess of £1m and important growing interests in rather more buoyant areas.

Philip Hill higher

GROSS REVENUE of Philip Hill Investment Trust increased from £4.53m to £5.64m in the half-year to September 30, 1979. Net earnings rose from £2.41m to £3.2m, after charges of £2.4m, against £2.12m, which include tax, interest and expenses.

Allnatt London reaches £2.3m

TAXABLE PROFITS of Allnatt London Properties improved from £1,900,300 to £2,325,500 for half-year ended September 30, 1979.

Electra exceeds £2.5m

FOR THE half-year ended September 30, 1979, gross revenue of the Electra Investment Trust improved from £2.63m to £3m. Pre-tax revenue was higher at £2.57m compared with £2.3m in the same period last year.

Portsouth & Sunderland CCA profit up to £1.4m

ON A CCA basis profits, before tax, of Portsouth and Sunderland Newspapers showed a rise from £1.07m to £1.39m in the half year ended September 29, 1979. Using the historical method the increase would have been from £1.29m to £1.83m.

H. C. Slingsby near £100,000

With sales ahead at £2.07m, against £1.82m, pre-tax profits of H. C. Slingsby, truck and ladder manufacturer, improved from £72,995 to £86,423 for the first half of 1979.

Jenks and Cattell improves

IN LINE with the directors' midway forecast, taxable profits of Jenks and Cattell improved to £317,000 in the year ended July 31, 1979, against £240,000 last time. Sales for the period went ahead from £7.42m to £9.06m.

comment

It seems to be a good year for provincial newspapers: the results of several groups recently have indicated that advertising volume and rates are up. Portsouth and Sunderland Newspapers, which has shown steady growth in the last four years, has come through with a healthy 41 per cent pre-tax profit rise and an interim dividend hike of two-thirds.

BOARD MEETINGS

Table listing board meetings for various companies including Jenks and Cattell, H. C. Slingsby, etc.

FUTURE DATES

Table listing future dates for various companies including Allred Leather Industries, Brunning, etc.

Lonrho plea to halt aid for Tanzania

Lonrho, the overseas trading company, is urging the British Government and the World Bank to halt aid to Tanzania until it receives full compensation for the assets seized there last year.

Sir George Bolton, the deputy chairman of Lonrho, has written to the World Bank asking for its full co-operation in denying further aid to the country.

Another director, Mr. Edward Du Cann, the Conservative MP, has sent a letter to Mr. Neil Martin, Minister of State at the Foreign Office, stating his belief that Tanzania needs to delay payment of compensation as long as possible.

Aquascutum margins hit

TURNOVER OF Aquascutum and Associated Companies increased from £2.12m to £5.82m in the half year ended July 31, 1979, but pre-tax profits were down slightly from £836,000 to £824,000.

The interim dividend is stepped up from 0.588p to 0.75p and the directors say the increase demonstrates their confidence in the on-going strength of the group's activities.

Last year, the group reported pre-tax profits of £2.1m and paid a total dividend of 1.7p.

HOLLIS (HULL)

The joinery department of Hollis (Hull), a subsidiary of Hollis Brothers, a subsidiary of Hollis-ESA, has lost £117,000 so far in the current financial year.

SENTINEL

The Sentinel Insurance Company is alleged to exploit its strong financial position by embarking on a substantial but controlled expansion programme, said Mr. Charles Ettinger, chairman, at the annual meeting.

The company had reviewed its premium rates and would be announcing substantial improvements for whole life and temporary assurances, he added.

Progressive Secs. higher

REVENUE BEFORE tax of Progressive Securities Investment Trust increased from £24,948 to £30,446 for the six months ended September 30, 1979.

Gross revenue rose by £17,123 to £92,363, while after-tax earnings per 50p share advanced from 1.8p to 2.22p. The interim dividend is lifted to 1.25p (1.05p) net payments totalled 3.15p in 1979, 79 on pre-tax revenue of £127,604.

Tax for the period took £30,596 (£24,504) and net revenue came out at £49,850, against £40,344. The interim costs £28,034.

At September 30, 1979, net assets stood at 94p per share, compared with 95.5p a year earlier.

At Transfleet, we take the not unusual business view that the things people do best are the things they should concentrate their energies on.

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- Maybe you've never considered just how much time and energy truck-operating can consume. So we've listed 10 major elements: 1. Selecting exactly the right size and type of truck. 2. Equipping it to your most detailed specification. 3. Painting it in your company's livery. 4. Licensing it. 5. Maintaining and servicing it. 6. Checking its tyres for wear and pressure. 7. Insuring it, at the keenest rates. 8. Keeping its fuel tanks filled. 9. Providing a replacement whenever necessary. 10. Recruiting and training drivers.

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BASE LENDING RATES

Table listing base lending rates for various banks and institutions such as A.B.N. Bank, Allied Irish Bank, etc.

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UK COMPANY NEWS

Companies and Markets

MINING NEWS

RTZ Rhodesia profits jump

By Kenneth Marston, Mining Editor

WHEN Rhodesian sanctions are finally lifted a mining issue which could attract London interest is Rio Tinto (Rhodesia).

Tin outputs

A GOOD start to its current financial year has been made by the Eastern tin-producers Gopeng and Pengkalan, with respective 1984 tonnes of tin concentrates.

North Kalgurli rights issue

Financing plans are announced for the resumption of gold mining operations at the old North Kalgurli property in Australia's Golden Mile.

Fraser Island: bid to resolve dispute

AUSTRALIAN and U.S. government officials are making a fresh attempt to solve the acrimonious dispute arising from the Australian Government's decision in November 1976 to ban mineral sands mining on Fraser Island in Queensland.

Oakbridge sees a recovery

AFTER the setback in the 12 months to last June, Oakbridge is well placed to participate in this thanks to its advanced expansion programme.

Tricoville 27% ahead to record

AS ANTICIPATED at the interim stage, record profits are reported by Tricoville, the fashionwear group, for the year ended July 19, 1979.

Progress at British Investment

Net revenue of the British Investment Trust was lifted from £1.66m to £2.45m in the half year to September 30, 1979.

Another underwriting shake-up at C. E. Heath

Another shake-up has taken place in the underwriting management business of insurance broker, C. E. Heath.

RESULTS AND ACCOUNTS IN BRIEF

AOKAM TIN—Second interim dividend 16 per cent, less Malaysian tax, making 18.5 per cent net.

Placer Trebles Earnings: Placer Development of Vancouver more than trebled consolidated net earnings before extraordinary items in the first

Round-up: Westinghouse Electric has reached agreement with Florida Power and Light on a uranium supply suit brought in 1975.

Iron Ore Company of Canada, with operations in Labrador and Quebec, staged a dramatic return to profit in the first nine months of the year.

PLACER TREBLES EARNINGS

Placer Development of Vancouver more than trebled consolidated net earnings before extraordinary items in the first

BANK RETURN

Table with columns for Liabilities, Assets, and Issue Department. Includes items like Capital, Public Deposits, Government Securities, and Government Debt.

BARLOW RAND LIMITED

DECLARATION OF PREFERRED ORDINARY DIVIDEND NO. 4. Notice is hereby given that preferred ordinary dividend No. 4 of 2 cents per preferred ordinary share has been declared.

BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa) CONSOLIDATED PROFIT AND ORDINARY DIVIDEND

Table showing consolidated profit and ordinary dividend for the year ended 30 September 1979. Columns include 1979, 1978, and % Increase.

NOTE: The Rand has been converted to Sterling at R1=£0.5865 and this rate of exchange has also been used for comparative figures.

A preferred ordinary dividend No. 4 of 2.0 cents per share has been declared to preferred ordinary shareholders at the close of business on 23 November 1979.

Ordinary Dividend No. 100

Notice is hereby given that an ordinary dividend of 26.0 cents per share has been declared payable to shareholders registered in the ordinary share register of the company at the close of business on 23 November 1979.

This dividend is declared in the currency of the Republic of South Africa and the rate of exchange at which the dividend will be converted into United Kingdom currency for payment of dividends from the United Kingdom Registrar will be the telegraphic transfer rate of exchange between South Africa and the United Kingdom ruling on the first business day after 4 January 1980.

In terms of the South African Income Tax Act, 1962, as amended, a non-resident shareholder's tax has been imposed on dividends payable to:

- (a) persons other than companies, not ordinarily resident nor carrying on business in the Republic of South Africa; and (b) companies which are not South African companies.

BARLOW RAND LIMITED

(Incorporated in the Republic of South Africa) CIRCULAR TO SHAREHOLDERS RELATIVE TO THE CONVERSION OF THE COMPANY'S PREFERRED ORDINARY SHARES INTO ORDINARY SHARES

On 8 November 1979 the company declared a final ordinary dividend No. 100 of 26.0 cents per share resulting in total ordinary dividends for the year of 38.0 cents per share.

Simultaneously with the above dividend declaration, an additional preferred ordinary dividend No. 4 of 2.0 cents per share was declared. This dividend, together with preferred ordinary dividends for the year of 38.0 cents per share.

As a result of the foregoing, and in accordance with the special rights and conditions of the preferred ordinary shares, the company's auditors have certified that those special rights ceased to be of any force or effect from 1 October 1979.

NOTICE IS HEREBY GIVEN that the 12,191,634 preferred ordinary shares of 10 cents each will become ordinary shares of 10 cents each after the close of business on 7 December 1979 and which will rank pari passu with the fully paid ordinary shares already allotted by the company with effect from 1 October 1979.

Those 12,191,634 additional ordinary shares will be listed and quoted on the Johannesburg Stock Exchange, The Stock Exchange, London, The Zimbabwe Rhodesia Stock Exchange and the Bourses in Paris, Brussels and Antwerp from the opening of business on 10 December 1979.

BARLOW RAND LIMITED

DECLARATION OF PREFERRED ORDINARY DIVIDEND NO. 4. Notice is hereby given that preferred ordinary dividend No. 4 of 2 cents per preferred ordinary share has been declared.

UK COMPANY NEWS

G R (Holdings) tops £3m after good second half

WITH second-half profits improving from £1.28m to £1.7m, the taxable surplus of G. R. (Holdings) advanced to £3.07m in the year to June 30, 1979, compared with £2.46m last time.

Turnover of the sheepskins, furs and leather group rose £3.78m to £22.66m.

The net total dividend is effectively increased from 5.3p to 6.4p, with a final 5p. After tax of £1.51m (£1.28m), earnings per share are stated higher at 31.3p, against an adjusted 27.7p. The dividends absorb £414,475 (£221,182).

Bowater completes U.S. expansion

The Bowater Southern Paper Corporation announces the successful start-up of the fifth newsprint machine at the Tennessee Mill in the U.S.

This marks the completion of a \$80m expansion programme and adds 140,000 tonnes of annual capacity to the newsprint mill.

Contracts for the sale of this increased capacity have been made with publishers in the southern and central states of the U.S.

Fundinvest increases dividend

Net taxable revenue of Fundinvest rose from £558,441 to £525,589 in the year to September 30, 1979.

The final dividend is raised to 1.953p (1.647p), making a total of 3.153p costing £380,390. Last year's total of 2.89p cost £298,897.

Total assets less current liabilities at the year-end were valued at £10.88m (£11.44m) and the net asset value per share was 107p (116p).

Bowring sets up new agency

C. T. Bowring is forming Oberon Underwriters, a new agency company which will underwrite a non-marine account on behalf of a group of companies.

This group comprises the San Francisco Insurance Company

(UK), a wholly-owned subsidiary of Fireman's Fund Insurance Company of San Francisco; Mercury Reinsurance Company (UK), a wholly-owned subsidiary of St. Paul Fire and Marine Insurance Company of St. Paul, Minnesota; and the Nippon Fire and Marine Insurance Company (UK), a subsidiary of the Nippon Fire and Marine Insurance Company of Tokyo, Japan.

British-Borneo Petroleum to pay 11p interim

Taxable profits of British-Borneo Petroleum Syndicate were almost static in the half year to September 30, 1979. The surplus stood at £436,844, against £436,124.

The interim dividend is being lifted from 2.508p net to 3.25p and there is a 7.25p payment from the special dividends received from Shell. Last year the investment holdings and dealing company paid a total of 7.529p after lifting taxable profits to £521,000.

Corporation tax at half time was £97,570 (£110,860) and tax on franked income £71,818 (£72,890).

Drayton Consol. earns more

AFTER charging tax of £1.35m against £1.2m, revenue of Drayton Consolidated Trust rose from £1.85m to £2.1m in the year to September 30, 1979.

The net final dividend is stepped up from 3.2p to 4p making a total 9p (8.2p), costing £1.84m (£1.58m) and the balance retained amounts to £195,583 (£205,702).

Total assets less current liabilities at September 30, were valued at £77.18m (£78.06m) and the net asset value per share was 197p (213.4p).

The net asset value has been calculated on the increased ordinary share capital which would exist if the convertible unsecured loan stocks were wholly converted on the next conversion dates. Debenture and preference stocks have been deducted at their nominal values. No provision has been made for the tax on capital gains which would have been payable had the investments been sold at their market values at the balance sheet date. Investments listed overseas and foreign currency assets have been valued with the addition of the investment currency premium where appropriate. The total of such premium amounted to £1.58m (5.5p per share).

APPOINTMENTS

Alan Lord to be Dunlop managing director

Mr. Alan Lord, former second permanent secretary at the Treasury, is to become managing director of DUNLOP HOLDINGS from January 1. He will be responsible to Sir Campbell Fraser, currently chairman and chief executive who in January will become executive chairman.

Aged 50, Mr. Lord joined Dunlop in 1977 after leaving the Treasury and took over responsibility for all aspects of Dunlop's strategic planning. At the beginning of 1978 he became a director of Dunlop Holdings, the parent company in the Dunlop group, and managing director of Dunlop International, responsible for group activities outside Europe and for the International Sports Company.

Mr. Lord is a non-executive director of Allied Breweries and chairman of the taxation committee of the Confederation of British Industry.

Mr. M. J. Gent has been appointed a director of FIBORNIX ASSURANCE. He is chairman and joint managing director of the Guthrie Corporation.

The Prime Minister has approved the appointment of Mr. George L. J. Engle, to succeed Mr. Terence Skepp as Second Parliamentary Counsel on March 1, 1980.

Mr. Bill Adamson has been appointed managing director of BARRATT CONSTRUCTION with a seat on the Board of Barratt Developments (Scotland). The former managing director of Barratt Construction, Mr. Sandy Jolly, has been made a director of Barratt Developments (Aberdeen) with responsibilities for the Inverness area.

Mr. Alan J. Hird, a partner in Dearden Farrow and Co., has been appointed as non-executive financial director of CHALLENGE HOSERY COMPANY, Eastwood, Nottinghamshire, and CATALONIA PAPER TUBES (UK), a subsidiary of Jose Ma. Artiga S.A. of Barcelona, Spain. The latter company is building a new factory in Bradford to manufacture paper cones for the textile industry.

Dr. A. W. Rudge has been appointed chief executive and managing director of ERA TECHNOLOGY, of Leatherhead. He succeeds Dr. Bryan Lindley, who leaves to become director of research of Dunlop Limited. Mr. K. Sedgwick, company secretary, takes up the new post of deputy managing director at ERA Technology.

Viscount Sandon has been appointed non-executive chairman of ORION BANK and Mr. T. Jefferson Cunningham III as group chief executive.

Mr. Ronald Cartwright has been appointed chairman of MORTONAIR INTERNATIONAL as from January 1, 1980. He succeeds Mr. George Godwin, who is retiring from the Board after more than 50 years with the group and its predecessor companies. Mr. Michael Walters, who has been a non-executive director

Investing in North Sea and America oil and gas production through Viking Resources International N.V. Listed on the Amsterdam Stock Exchange. The quarterly report as of 30th September, 1979 has been published and may be obtained from Pierson, Holding & Pierson N.V. Herengracht 214, Amsterdam.



Mr. Alan Lord

director of postal reorganisation to prepare the postal business for the separation of telecommunications from the Post Office.

Mr. C. H. Grinstead has joined the Board of ANSVAR INSURANCE COMPANY. He is its present secretary of Shell UK.

Mr. Cyril A. McCardy, the chief revenue officer of Newport Borough Council in Gwent, has been elected president of the RATING AND VALUATION ASSOCIATION for 1979-80.

Mr. Rodney East is joining the Board of ETAM as finance director. Until recently, Mr. East was managing director of non-retail operations at Harrys.

Dr. J. Dickson Mahon, Lab/Co-op MP for Greenock and Port Glasgow, has been appointed to the Board of NORTH SEA ASSETS.

Pentos states that following its acquisition of CAPLAN PROFILE GROUPE, the composition of the Board of that company is now: Mr. Ian Caplan, chairman and chief executive; Mr. Don Richings, joint managing director (production); and Mr. Robin Ellis, finance.

Mr. W. G. Critchley, formerly a senior consultant and business division manager with Marketing Improvements, has joined BRACKEN KILNER AND ASSOCIATES as a senior full-time associate.

Mr. R. W. S. Baker has been elected a director of SUN LIFE ASSURANCE COMPANY OF CANADA (UK) and becomes deputy managing director.

MITCHELL COTTS

1978/1979 RESULTS

HIGHLIGHTS

- Engineering profits down but Transportation and Trading profits firm
- Increase in attributable profits
- Improved balance sheet

PROFIT SUMMARY

	1979	1978
	£m	£m
Profit before Interest and Taxation	11.1	13.2
Profit before Taxation	7.2	10.2
Net Attributable Profit	5.8	3.6
Dividend - Final proposed	2.95500 p.	2.80000 p.
- Total for Year	3.61125 p.	3.45625 p.

Analysis of Profits	1979		1978	
	£m	£m	£m	£m
By Activity				
Engineering	4.9	7.5	3.0	2.7
Transportation	3.0	3.1	4.4	5.7
Trading	2.2	2.0	2.4	2.4
Group Expenses and Interest	(2.9)	(2.4)	0.3	1.8
	7.2	10.2	(2.9)	(2.4)
			7.2	10.2

Balance Sheet	1979		1978	
	£m	£m	£m	£m
Capital and Reserves	41.9	39.9	28.0	31.4
Minority interests	6.0	7.9	4.3	4.4
Deferred taxation	0.8	0.3	1.4	2.2
Long term loans	8.0	8.8	2.3	2.7
Medium term loans	5.5	10.1	5.7	5.8
	62.2	67.0	20.5	20.5
			62.2	67.0

Mitchell Cotts Group Limited
Cotts House, Camomile Street, London EC3A 7BJ
Telephone: 01-283 1234. Telex: London 8814641

For a copy of the annual report and accounts please contact the Secretary.



Mr. T. J. Cunningham
man of ORION BANK and Mr. T. Jefferson Cunningham III as group chief executive.

Mr. Ronald Cartwright has been appointed chairman of MORTONAIR INTERNATIONAL as from January 1, 1980. He succeeds Mr. George Godwin, who is retiring from the Board after more than 50 years with the group and its predecessor companies. Mr. Michael Walters, who has been a non-executive director

Investing in North Sea and America oil and gas production through Viking Resources International N.V. Listed on the Amsterdam Stock Exchange.

The quarterly report as of 30th September, 1979 has been published and may be obtained from Pierson, Holding & Pierson N.V. Herengracht 214, Amsterdam.

This announcement appears as a matter of record only.

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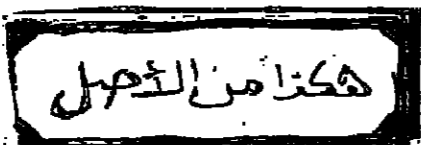
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in Dallas |
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| Allied Irish Investment Bank Limited | The First National Bank
of Chicago |
| Australia and New Zealand Banking
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November 1979

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Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

AMC moves ahead but layoffs mount at GM

BY STEWART FLEMING IN NEW YORK

GENERAL MOTORS, the world's largest car producer, yesterday announced further sharp cuts in its labour force on the same day that American Motors (AMC), the industry minnow, disclosed that it was the only U.S.-owned car company to earn a profit in the U.S. in the third quarter of the year.

GM disclosed that it was laying off indefinitely 5,750 workers as a result of a decision to reduce shifts at three car and light duty truck plants and to slow assembly line speed at another car plant. About 7 per cent (37,250) of GM's U.S. blue collar workforce is now laid off. Layoffs in the industry as a whole are around 100,000.

September 30, AMC announced yesterday that in the same period (its fourth fiscal quarter) net income was \$10.6m. This represented a sharp fall compared with a year ago, however, when net income was \$25.9m. For the year as a whole, however, AMC's net income before extraordinary credits, was \$68.1m, or \$2.07 a share, compared with \$2.5m or 75 cents a share in the year ended September 30, 1978.

The company said its restructured car operations were solidly profitable, adding that its products were properly placed to meet the strong demand for smaller economic passenger cars. This resulted in increased penetration of the small-car segment of the market. At the same time, Jeep sales were a record in spite of a market downturn over energy concern.

Mr. Thomas A. Murphy, GM's chairman, warned earlier in the week that further cutbacks in car production were planned in the fourth quarter. He disclosed that GM dealers, at October 20, had twice as many cars in stock than at the same time last year.

Black and Decker record

BLACK & DECKER, the world's largest manufacturer of portable power tools, pushed earnings 91 per cent ahead in the fourth quarter to achieve record earnings for the year.

Bethlehem fears setback

BETHLEHEM—Unless Bethlehem Steel Corporation, the second largest U.S. steel producer, gets "awfully lucky" in the next few weeks it will not earn as much money or ship as much steel in the fourth quarter of the year as it did in the same period last year, according to Mr. Lewis W. Foy, chairman and chief executive.

In 1978 the company earned \$225.1m, or \$5.15 a share, on sales of \$6.18bn, while through the first nine months of 1979 it has already earned \$237.1m, or \$5.43 a share, on sales of \$5.43bn.

25% gain in Bendix annual earnings

BENDIX, the automotive, aerospace and industrial group, has comfortably exceeded forecasts to increase earnings for 1978-79 from \$5.74 a share to \$7.10. But Mr. William Agee, chairman, warns that fourth quarter results were lifted by "substantial equity income" from ASARCO, the metals producer, and adds that there was a "steep decline" in automotive business in the same quarter.

CANADIAN COMPANIES

CAE Industries has a good half-year

BY ROBERT GIBBENS IN MONTREAL

ONE OF CANADA'S largest high technology companies, CAE Industries of Toronto and Montreal, earned C\$3m or 53 cents a share in the six months ended September 30, compared with C\$2m or 32 cents for the corresponding period of 1978.

CAE's electronics division continues to capture a substantial share of the commercial flight simulator market. Military aircraft simulators are also performing well. The first production aluminium heads and manifolds for the new Ford Erika car have been delivered and regular production deliveries will start before the end of the year.

Moore Corporation, the world's largest business forms manufacturer, which is based in Toronto but has its major business in the U.S. and other countries, earned U.S.\$76.5m or \$2.73 a share in the first nine months against \$59.5m or \$2.12 a share a year earlier, on revenues of \$1.1bn against \$966m. Profit in the third quarter rose by \$1.5 per cent to \$26m or 93 cents a share from \$19.5m or 71 cents a year earlier.

As a result of recent UK legislation, third quarter income taxes were reduced by \$1.5m or 5 cents a share, representing the release of deferred taxes. The current level of earnings should be maintained in the final quarter leading to record results for the full year, the company said.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns for U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, and YEN STRAIGHTS. Includes columns for Issued, Bid, Offer, Day, Week, and Yield.

Sharp advance at Sunbeam

A STRONG RISE in earnings for the second quarter of this year at Sunbeam Corporation, domestic appliance manufacturer, suggests that the forecast of "at least moderate progress" this year may be an understatement.

At the half-way stage, profits are 17 per cent at \$20.6m, with share earnings at \$1.39 against \$1.19. Sales are showing a 4.2 per cent gain at \$617.1m.

But a major boost has come in the second quarter when earnings jumped by 87 per cent to \$12.2m, or from 44 cents a share to 82 cents. At \$323.7m, sales were no more than 6.7 per cent up.

Legal fight over Marathon bid

BY DAVID LASCELLES IN NEW YORK

A LEGAL battle has erupted over the plan by Penn Central to buy Marathon Manufacturing, the oilrig building concern, whose interests include the ailing Clydebank yard.

Penn Central agreed last August to pay \$340m for Marathon. However, terms of the deal included an exchange of securities, and now a large issue with Penn Central, but holder of Penn Central shares, Reliance Group of New York, has raised objections.

Central. It recently bought a large slice of debt in the bankrupt New Haven railroad which, in turn, owns 7 per cent of Penn Central's common shares. Once the New Haven reorganisation is complete, Reliance stands to increase its stake in Penn Central.

SEC ready to end options trading curbs

By Ian Hargreaves in New York

THE U.S. Securities and Exchange Commission hopes to lift its curbs on the growth of stock options trading by the end of the year.

Mr. Harold Williams, chairman of the commission, said in Washington that he was hoping that a moratorium imposed in 1977, following commission anxieties about abuses in options trading, would be lifted before the technical expiry of the moratorium.

The commission is seeking tougher control of options trading by the end of the year, which allow such trading—which does not include the New York Stock Exchange—with intensified surveillance of deals and stricter qualifying examinations for securities firms' salesmen involved in options sales.

\$29m Westinghouse settlement

PITTSBURGH—Westinghouse Electric Corporation has reached agreement with Florida Power and Light on a uranium supply suit filed by the utility.

Westinghouse estimated the pre-tax cost of the settlement at \$29m, which will be recognised as an extraordinary item in the fourth quarter.

Under the settlement, Westinghouse said it would pay Florida Power \$26m in cash within 30 days.

UK tax gain for Woolworth

By Our Financial Staff

THIRD QUARTER results of F. W. Woolworth, the U.S. stores chain which owns 52.7 per cent of F. W. Woolworth of the UK, will include a gain of \$13m or 45 cents a share due to changes in British tax law, according to Mr. Edward F. Gibbons, chairman.

Results for the third quarter ended October are due to be released shortly but last week the group reported sales of \$601m for the five weeks ended October 21—up 8.8 per cent on corresponding 1978 figures.

Sohio confident on outlook

BY OUR FINANCIAL STAFF

STANDARD OIL of Ohio (Sohio), British Petroleum's U.S. subsidiary, confidently expects profits to continue to flow as freely as its Alaskan oil, according to Mr. Alton W. Whitehouse Jr., chairman and chief executive.

He said fourth-quarter earnings should be ahead of the third-quarter net of \$366.2m, or \$3.03 a share, and healthy year-to-year increases are expected in 1980. The primary reason for this is that more oil is flowing through the trans-Alaskan pipeline and it is fetching higher prices than hitherto.

Based on nine-month earnings of \$735.1m or \$6.10 a share this year, and Mr. Whitehouse's fourth-quarter expectations, net profit for the full year would exceed \$1.1bn, which compares with 1978 profits of \$450.2m or \$4 a share on revenues of \$5.2bn.

In the final quarter of 1978, Sohio earned \$164.5m, equal to \$1.37 a share on revenues of \$1,548m.

EUROBONDS

Dollar issues under pressure

By Our Euromarkets Staff

THE NATIONAL Bank of Cuba's \$30m public bond on the Swiss capital market has been cancelled by Singer and Friedlander, A.G. the manager, announced in Zurich yesterday.

The managing syndicate decided to withdraw the bond following criticism in the press, according to Singer and Friedlander, a subsidiary of the British merchant bank of the same name.

The decision to cancel was taken despite the fact that the issue's success was ensured by subscriptions from institutional investors before the start of the official subscription period from November 19 to 23.

The issue was originally to be managed by a syndicate led by the Geneva bank, Banque Gutzwiller, Kurz, Bungeger. But the bank withdrew under pressure from Bank Leu, which holds a majority of its shares, according to Swiss bankers.

The general move to 151 per cent prime rate in the U.S. put Eurodollar bonds under further pressure in early trading, but prices later rallied to show little net change on the day after early losses ranging to half a point.

The extensive amount of short positions in bonds now being held around the market helped to support dollar prices. There was also some genuine investor demand.

Other sectors saw little fresh activity. A 12-year 25m unit of account (UA) bond issue for the Mortgage Bank and Financial Administration Agency of Denmark, planned with a 9 per cent annual coupon, is now expected to be priced at par when terms are finalised on November 16, according to Kredietbank S.A. Luxembourg, the lead manager.

Fully guaranteed by the Danish Government, the issue is to be redeemable starting in 1982 for an average life of 9.25 years. The exchange rate of the UA is to be fixed when final terms are set, but is anticipated at one UA equalling DM 2.97597.

Wellington's borrowing need WELLINGTON—New Zealand will need to borrow between NZ\$4bn (U.S.\$3.85bn) and NZ\$5bn, most of it from abroad, to develop its energy and forestry resources, Mr. Robert Muldoon, the Prime Minister, said yesterday. High prices for oil meant that many energy sources were now viable, he told a businessmen's dinner.

Advertisement for FIAT Finance Corporation B.V. featuring the OHF logo and text: 'FIAT FINANCE CORPORATION B.V. (Incorporated in the Netherlands) U.S. \$ 100,000,000 GUARANTEED FLOATING RATE NOTES DUE 1991 Convertible into 8 per cent. Guaranteed Notes due 1991'.

WORLD STOCK MARKETS

Early Wall St. technical recovery of 3.9

After reaching its lowest level of almost 11 months on Wednesday...

On the American Exchange, volume leader Resorts International "A" put on 1 1/2...

As world prices were raised, boosted the shares yesterday. Among Trading Houses, C. Itoh...

China Light rose HK\$3.20 to HK\$25.20 after registering a 25 percent increase in annual...

Hutchinson Properties climbed HK\$2.20 to HK\$17.80 on merger speculation...

Brokers said small investors are staying away from the Exchange in view of the unsettled situation in Iran...

The Dow Jones Industrial Average, which had fallen 22 points over the past three days...

Active issues climbed 2 1/2 to 355 on higher third-quarter profits. American Motors reported...

The Iranian situation and Wall Street's further sharp fall overnight left the majority of stocks...

After the sharp reaction of the previous two days on heavy local profit-taking, the market advanced strongly yesterday...

A modest technical recovery took place yesterday following the market's recent gloomy performance...

Selective buying pushed most Oil, Metals, Stores and Portfolios higher. Foods, Constructions...

Analysts said the rebound was largely technical. Investors remain cautious in view of the problems in Iran...

Bank of New York joined Chase Manhattan Bank's previous move by raising its Prime rate to 15 1/2 percent...

Domestic Petroleum gained 3 1/2 to 33 1/2. It has bought back property north of Vancouver for unspecified "future offshore developments"

Properties and Blue Chips led the way, with sentiment boosted by news that Hong Kong and East Consortium are to jointly develop property in the

Bank and Machines, which had suffered some of the heavier losses recently, scored broad gains yesterday. Both Deutsche Babcock and KHD added DM3...

Concern over world oil supplies generated by the Iran crisis saw Energy and Gold stocks rise in demand yesterday...

Closing prices and market reports were not available for this edition.

Stock prices generally continued to plot a downward

the rising value of their stocks

the rising value of their stocks

the rising value of their stocks

the rising value of their stocks

Table with columns: Stock, Nov. 7, Nov. 8, Nov. 9. Lists various stocks like IBM, Ford, and others.

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Indices

Large table containing various stock indices from New York, London, Tokyo, Amsterdam, Copenhagen, Vienna, Milan, and Brazil.

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**INVESTORS
CHRONICLE**

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Platinum's golden anniversary with Johnson Matthey

BY RAY MAUGHAN

JOHNSON MATTHEY fired the blast furnace at its new 55m Brimsdown refinery near Enfield, North London, at the beginning of this week. A straightforward part of business life, perhaps, but it may come as a surprise to those who regard the group solely as a precious metal dealer to learn that it has important, and developing, industrial interests.

Conversely it would be wrong to disregard the bullion and commodity trading activities since they provide more than a third of group income. But Johnson Matthey is playing a growing role in such diverse, and potentially attractive, markets as fuel cells, anti-cancer drugs, cold print transfers and vehicle emission control systems.

Platinum is the key to most of these applications of rare metal refining technology. Next month the group celebrates the fiftieth anniversary of the first marketing agreement with Rustenburg Platinum, an exclusive contract which runs until the end of this century.

The original link with Rustenburg was forged by a JM director, Mr. A. R. Coussmaker, a leading expert on the metal who persuaded the small, and largely unprofitable mines working the Merensky Reef in South Africa, during the 1920s to get together.

The agglomeration formed the basis of Rustenburg. The UK company built the first plant at Brimsdown for the preliminary treatment of the ore and Rustenburg built a similar facility near the mine. The concentrate used to be sent to JM's headquarters, then in Hatton Garden, for final refining.

Since then, Rustenburg has established a refining plant at Wadeville, South Africa, and JM has constructed another final refining operation at Royston, Cambridgeshire. Anxious to take a more active role in the refining process, Rustenburg took a half share in Matthey Rustenburg Refiners to take over all four plants during 1972. The joint venture is to set up a nickel and copper refinery which will involve a £12-15m investment by JM in 1981.

Platinum consumption in the industrialised West is currently on a plateau of about 2.6m ounces annually but JM is confident that its new Brimsdown facility, for which it is creating

50 new jobs, will enable it to capture an increased market share, which currently ranges between 40-50 per cent. Of possibly greater importance, the additional capacity offered by the new Brimsdown plant is expected to be absorbed by demand for new products now in development.

Demand for platinum products tends to go upward in steps. A rise is almost invariably followed by a demand jump when platinum was used as a catalyst in high octane values in petrol and JM's interest in this field is represented by the 50 per cent owned associate, Universal Matthey Products.

Jewellery

That market has been depressed for at least the past five years but another jump occurred when the Japanese denied access to the Government to personal gold holdings, prompted renewed interest in platinum jewellery—a fashion which had largely died in the West by the 1940s, although marketing attempts are now being made to revive it.

The third spur occurred when platinum, an invaluable catalyst which rarely reacts with a principal chemical, was used to control car exhaust emissions. That market, too, has tumbled and largely because profits from refining and chemical manufacture have declined from £3.89m to £2.56m pre-tax since 1975. JM's overall track record has been very sluggish.

The next jump may be about to take place and this time it could be based on a broader range of technical applications.

The automobile should be in the forefront of the next profits drive. The U.S., unfortunately, is likely to remain the sole Western market to legislate for the control of exhaust fumes but Matthey Bishop, a leading U.S. subsidiary, currently supplies Ford for around 40 per cent of its requirement for its American auto-catalysts.

A honeycomb of ceramic material is specially treated with platinum to form a monolith catalyst. General Motors, for the moment, uses a particulate, or pellet, catalyst but is now considering monolith catalysts for its 1981 model ranges which must satisfy reduced nitrogen dioxide requirements, and a decision is expected within the next six months.

Joint venture

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Growth prospects for supplying the U.S. market through BL products look somewhat dim at present but GM in conjunction with Degussa of West Germany, supplies Volkswagen in the U.S.

Glassfibre, which requires "bushing" through a platinum alloy, is another area of growth potential. Glass fibre reinforced plastics are used increasingly in construction and motor manufacture—roof tiling and car bumpers being two important examples.

Earlier this year, the Food and Drug Administration in America granted approval for cis-platin, a compound of platinum developed by JM which is now incorporated in a drug produced by Bristol-Myers for treatment of cancers of the genito-urinary system, and the second generation of the "Platinol" drug, understood to reduce the harmful side-effects of the treatment on the renal system, has now been developed. That may, however, take several years to win FDA approval.

Fuel cell

It may also take some time before the fuel cell becomes a proven method of energy supply, let alone an established method of power generation and control for utility and automobile companies but a JM platinum catalyst has been installed in the 4.5 megawatt fuel cell commissioned by United Technologies which will be undergoing feasibility studies in New York next April.

An important by-product of these developing applications will be a rise in demand for refining spent catalysts, which forms a major secondary market for JM, which operates six refinery plants in North America, South Africa, New Zealand, Australia, Italy and Belgium, besides Brimsdown.

Strong industrial demand for rare metals will also boost income in Matthey Rustenburg Refiners and the banking, trading and dealing division.

This business has been rapidly built up over the last decade. In 1974-75 the bank moved to new offices in Lloyd's Avenue which enabled JM to widen the range of services from the bullion dealing base and to enter the London Metal Exchange. The dealing range was extended to Hong Kong in the spring last year and it is hoped to set up in New York

in 1980. That will lengthen the dealing day but the group is very anxious to find the "right people" before branching out across the Atlantic. "We rather develop our own people," the finance director, Mr. James Pateman, points out. "We are a pretty conservative company."

That conservatism was enough to stop JM buying Meyerhold for \$11.5m in January this year for the U.S. subsidiary's expertise in the range of cold print transfers used on vehicles, sports goods, shoes and a wide variety of other products. It seems a valuable addition to the range of colours and transfers which, until the acquisition was completed, had been principally sold to the ceramic industry.

Share price

But JM's reticence may help to explain why the share price has been standing at around 400p, the estimated value of about 400p per share which would arise if the base stocks, required for continuing production processes and in the books at £11.9m, are valued at current prices.

Base stock values are obviously a variable but JM is uncomfortably aware of the discrepancy between estimated net worth and the market capitalisation. The recent reconstruction of Charter Consolidated, however, puts 28 per cent of the equity into what may be regarded as reasonably friendly hands. Charter proposes to acquire the stakes held by Anglo American Corporation and De Beers in return for most of its assets in Southern Africa and mutual bondswoman representations between JM and Charter has been agreed. The mining finance house has made it clear that the holding will be developed as a trade investment and seemingly has no bid intentions.

A five-year record in which profits expanded from £17.8m to only £21.5m is unlikely to be a financial success story. But the old Hatton Garden headquarters has been developed and is ready for letting and important avenues of potential growth are beginning to open up in the automotive power generation and medical markets. The 30 per cent pre-tax advance in the three months to June 30 last may yet prove to be the forerunner of a more pronounced upturn.



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Group Quality Assurance Executive

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FINANCIAL TIMES SURVEY

مكتابن الشرق

Friday November 9 1979

U.S. Travel and Tourism

The dollar's depreciation and cheaper air travel, particularly across the Atlantic, have made the U.S. an increasingly popular place to visit. The country's tourist industry and package holiday operators abroad are well organised to cope with the influx, and the 21m people expected to go there this year will find the natives friendly.

America eager to play host

By Jurek Martin

U.S. Editor

"NORTH AMERICA presents in its external form certain general features which it is easy to distinguish at the first glance. A sort of methodical order seems to have regulated the separation of land and water, mountains and valleys. A simple but grand arrangement is discoverable amid the confusion of objects and prodigious variety of scenes."

So began de Tocqueville's Democracy in America. Were the great French author to continue writing in this vein today, he would undoubtedly be snapped up by the United States Travel Service and his proselytising talents put to maximum use. For quite dramatically, tourism in the U.S. has become a significant fact of economic life. Tourism, to put it bluntly, is the other side of the dollar's weakness.

Asians (especially Japanese) are flocking to the U.S. The twin stimuli for the foreign tourism bonanza are the depreciation of the U.S. dollar against a range of foreign currencies and the introduction with a vengeance of inexpensive air travel. The U.S. in fact has become quite a cheap place for a holiday—to all except the Canadian, whose own dollar, of course, has been weak against the U.S. currency for some time—while the once formidable cost of bridging the Atlantic has been substantially reduced.

The U.S. is still in deficit on its tourism account: last year it is estimated that the 23m Americans who travelled overseas spent \$11.4bn, \$2.9bn more than foreigners spent in the U.S. In the current year the deficit is likely to shrink to about \$2.3bn, according to government calculation.

Nevertheless, foreign tourism has now emerged as the fourth-largest U.S. export industry and the projected \$2.3bn deficit, if achieved, would be the lowest in the last decade.

On an individual-national basis the U.S. enjoys what is known as travel dollar surplus with Canada, Japan and West Germany, but there are substantial deficits still with Mexico, the UK and France. These last three countries are, of course, among the most popular for American tourists, but the growing share commanded by the U.S. of the European tourist market in particular suggests a narrowing of existing shortfalls.

Patterns
The typical foreign visitor to the U.S. spends \$650 to \$700 while in the country, but the patterns of spending, and the favourite places to visit, vary enormously from country to country, largely reflecting global geography. The Japanese, logically, overwhelmingly prefer the West Coast while Europeans are likely to focus on the East. The Japanese generally use organised package tours, while a substantial majority of Europeans (most notably the French) like to travel independently and use their holidays more to meet as many Americans as possible and experience American lifestyles than to visit places of historical interest in the country.

The dry statistics disguise the fact that surveys show that foreign visitors to the U.S. seem to enjoy their holidays, with a large majority expressing an intention to return. This is something which both the federal and local governments are beginning to appreciate more. The U.S. Travel Service, for example, budgeted nearly \$2m in the fiscal year just ended for advertising spending to extol the merits of a U.S. holiday in the six major foreign countries, plus another \$500,000 allocated for public relations.

However, not all parts of the country view with equanimity the influx of hordes of foreign tourists any more than they do domestic visitors. Although it is true that the travel industry alone has accounted for 10 per cent of the 28m new jobs created in the country over the past 20 years, some states (Oregon comes immediately to mind) have concentrated more on preserving their indigenous charms and beauty than exploiting them.

But what foreigners do find and enjoy is the great and innate hospitality of Americans in their own country. Even the fabled (and much exaggerated) rudeness of New Yorkers has to be taken with a pinch of salt. It is this quality, allied to changing economic circumstances and the "prodigious variety of scenes" of which de Tocqueville wrote, that makes the U.S. such an attractive proposition for the foreign visitor.

Although there are a great many economic and practical reasons why the U.S. has suddenly become such a magnet for the international traveller, it is the average American's eagerness to play host which is helping to accelerate the rush. Many Europeans have an image of America as a country which is brash, hard hitting, devil-take-the-hindmost and unsympathetic to the problems of a stranger. Today word is getting around that America can in fact be a relaxing place to visit: a land of easy pace, easy smiles and a general willingness to assist.

Americans themselves sometimes do not see this side of their country, since it is often a foreign accent or the helpless lost look which encourages the locals to rush to your assistance. The smile is not of course, universal. Nothing is perfect. One of the first surprises any visitor faces is that America is an extraordinarily bureaucratic sort of place, as the first brushes with polite but painstaking officialdom at consulates, immigra-

tion and customs will demonstrate. But overall—New York taxi-drivers growing at passengers from their protective cages apart—the visitor is likely to find more grins than frowns, and a considerable inquisitiveness to know how things are going back in your own country.

Efficient

The fact that America is so large and there is so much domestic tourism and business travel means that the U.S. has long been a country accustomed to the itinerant. This happily produces a sophisticated infrastructure of roads, air links and accommodation (or lodgings as the Americans quaintly term hotels). The rail networks are not as widespread or as efficient as in Europe, but still retain their own attractions.

Americans eat out regularly to a much greater extent than do the British, so that even very small communities usually will have somewhere that a visitor can find something to eat. Although steak and shrimp are still the universal staples of American restaurants, the U.S., like Britain, has seen a major revival in interest in

quality catering and fine food can be found in the most unlikely places.

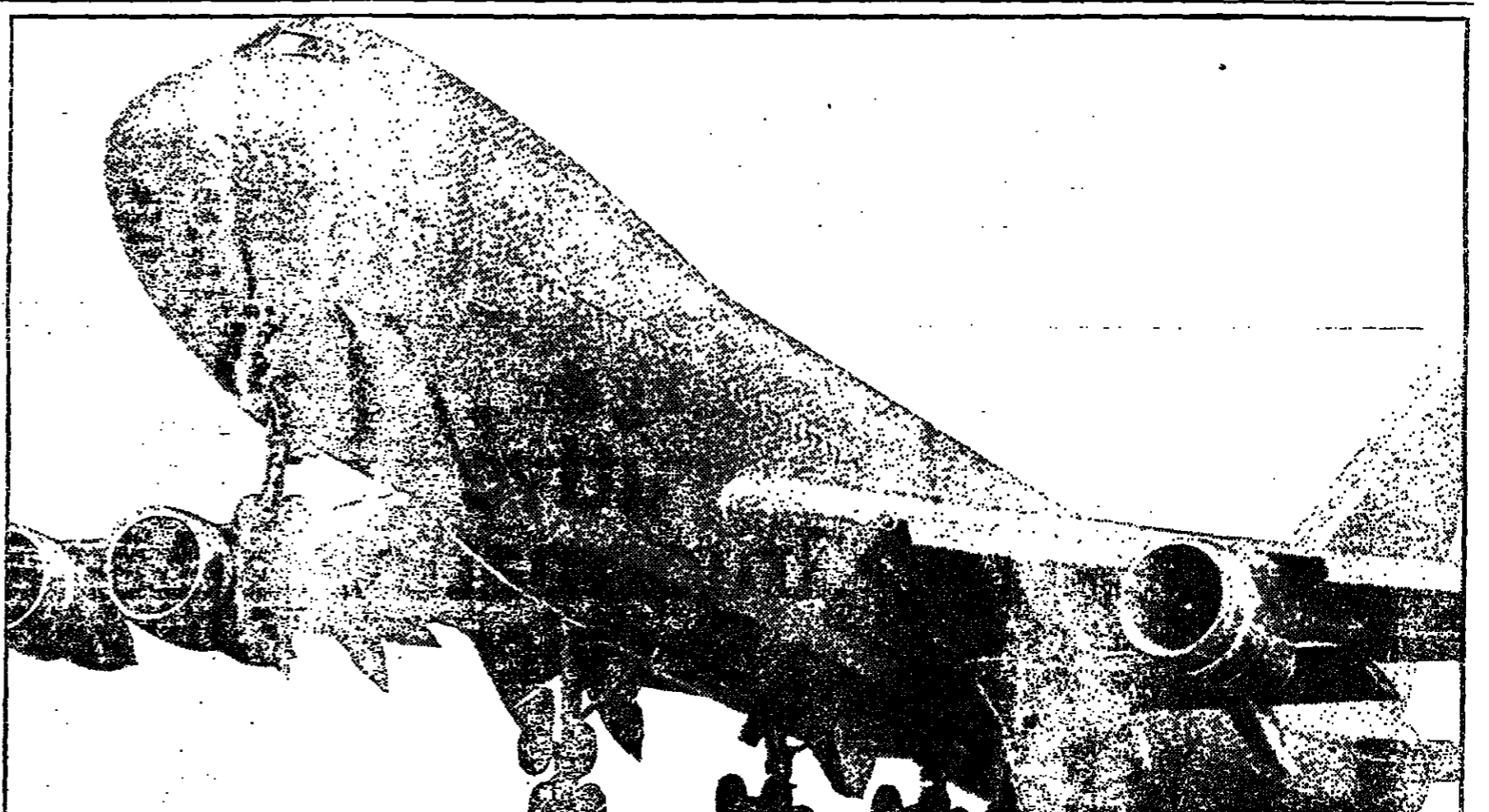
Although much of America is inexpensive rather than cheap the average business visitor finds that once he steps outside the major centres such as New York, Houston and Los Angeles prices for almost everything fall in the most surprising, and delightful, way. In country areas you can eat superbly well for a few dollars, and Californian wine is not only low in price but also high in quality.

The basic thing that any visitor to the U.S. has to remember is that its size—it is 3.8m sq miles compared with Europe's 3.9m—creates a considerable diversity both in people and in the country's physical characteristics. Just as one would not expect too many similarities between the pine forests of Sweden and the sweeping dunes of the Camargue, so the differences between New Haven, Connecticut and Albuquerque, New Mexico are, to put it mildly, considerable.

All this simply adds to the fascination of America, and helps to explain why it has suddenly been discovered by the world's tourists.



Indians at the Texas Folk Life Festival in San Antonio

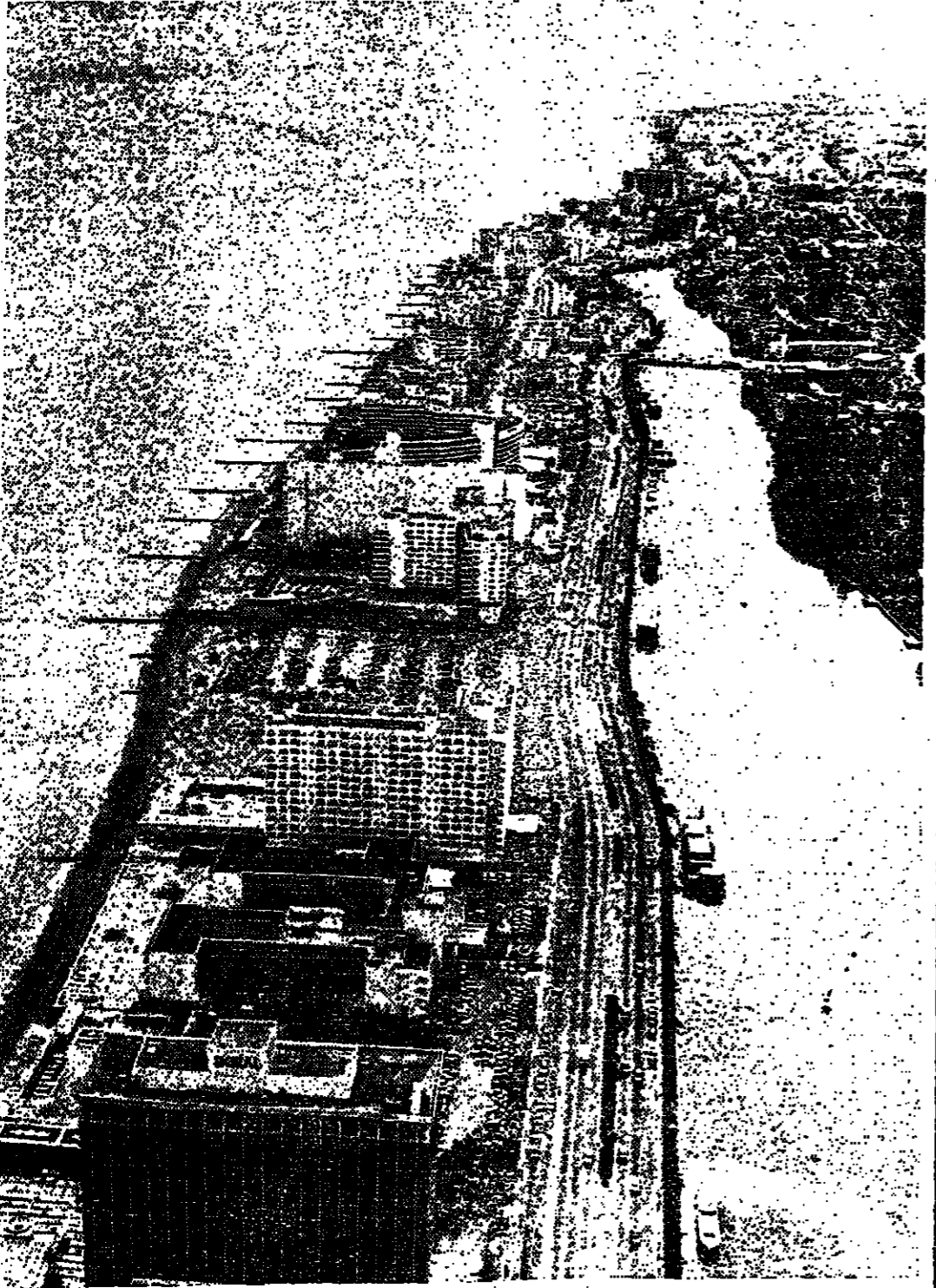
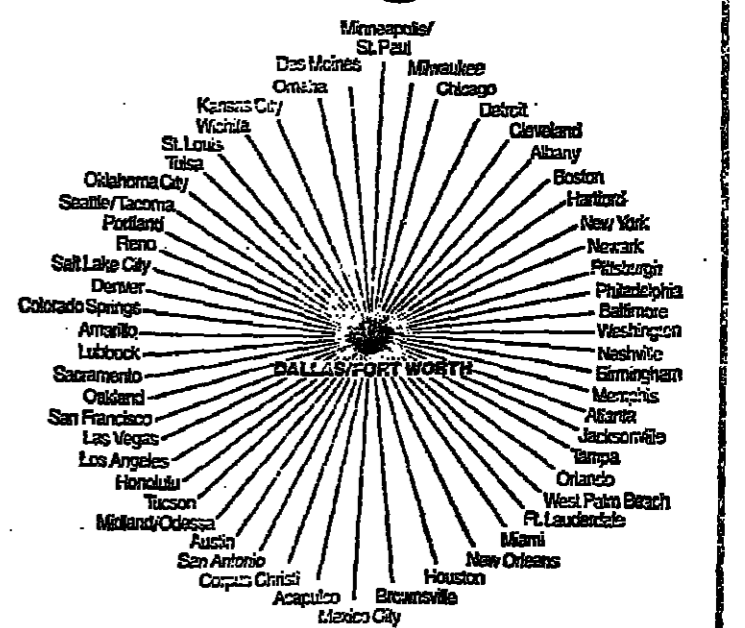


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U.S. TRAVEL AND TOURISM II

Eastern states have special charm

THE EASTERN states of America—from Maine to South Carolina—lack the majestic natural beauty of those in the far West. But they embrace some of the most beautiful parts of the country and almost all the nation's most interesting, and historic cities.

In past years travelling down the eastern side of the U.S. in high summer has been an exhausting experience. The humidity can be intense. Motorways have been crowded and accommodation hard to find.

This past summer, however, it was different, the petrol shortage—and the sharp rise in its cost—gave the tourist industry in the area a nasty jolt. Advertisements proliferated to try to attract motorists who had only one tank of petrol to get to and from their destination. Out of the way motels and holiday resorts found themselves faced with wholesale cancellations. Only the weather stayed much the same and even so it rained more than usual.

By the end of the summer all of this was a nasty memory but the industry has no real idea what to expect next year and it is fearful that high petrol costs and the rate of inflation may put off tourists again in 1980.

However, for visitors from abroad the eastern seaboard does not seem all that expensive.

Petrol is still half—or less than half—the price in many parts of Europe. Motels, particularly those just a little way off the beaten track, are amazingly cheap by European standards. Rental cars, if rented by the week from "budget" outlets, cost significantly less than in Europe and food is not expensive either.

All this is particularly true for holidays taken in the spring or in the autumn. At both times of the year the weather is usually good and cool enough for travellers who will under excessive humidity. Rates are cheaper and the roads are much less crowded. And the main tourist attractions can be seen at a much more leisurely pace.

The eastern part of the U.S. is so large that it is next to impossible to see it all on one trip. Some visitors, according to the U.S. travel service, decide to concentrate only on New England. Others single out the four great cities of the East—Boston, New York, Philadelphia and Washington. Yet others start with Washington and drive south into Virginia and down to Williamsburg before moving along the coast through North Carolina to Charleston, South Carolina, one of the most beautiful towns in the whole country.

The vast majority of European travellers to the United

States rely on a combination of rented cars and aeroplanes. A sizeable minority use buses although they restrict the ability to wander. And there is still a passenger train service through the eastern states which offers a gentle way to see them for those with time and patience.

New England—Maine, Vermont, New Hampshire, Massachusetts, Rhode Island and Connecticut—has a distinctive charm all of its own. In the north Maine is a favourite summer destination for thousands of Americans. Its long, beautiful coastline and wild, forested interior make it very attractive, and there is a ferry service to the string of little offshore islands that are well worth a visit.

Vermont comes into its own during the skiing season and again in the autumn when its forests display some of the most breathtaking autumn foliage to be seen anywhere in the world. The state also boasts some of the most unspoilt towns in America with their white clapboard houses and sleepy main streets.

Massachusetts is more urban. Boston, with its long historical associations, deserves a visit as does Harvard University in nearby Cambridge. Rural Massachusetts is also very

attractive with fine old houses and rolling countryside. On the eastern side of the state is Cape Cod, another favourite summer holiday area, and offshore the islands of Martha's Vineyard and Nantucket.

Nantucket, in particular, is worth a ferry trip. Once a centre of the whaling industry, it has survived unchanged since the early part of the last century and has the largest number of 18th century homes still standing in any single place in the U.S.

Famous

South of Massachusetts and through Connecticut and Rhode Island the scenery begins to change. Rural areas give way to suburbs which in turn yield to New York City.

The city can be a daunting place in the summer when high temperatures are often the final straw for New York tempers. But in the spring and autumn New York can be a marvellous place to spend a weekend. It is a city in which to walk (though not in darkened areas at night) and its galleries, shops and theatres are justly famous.

Much less well known is New York State, which stretches north to the west of New England and up to the Canadian border. The state covers nearly

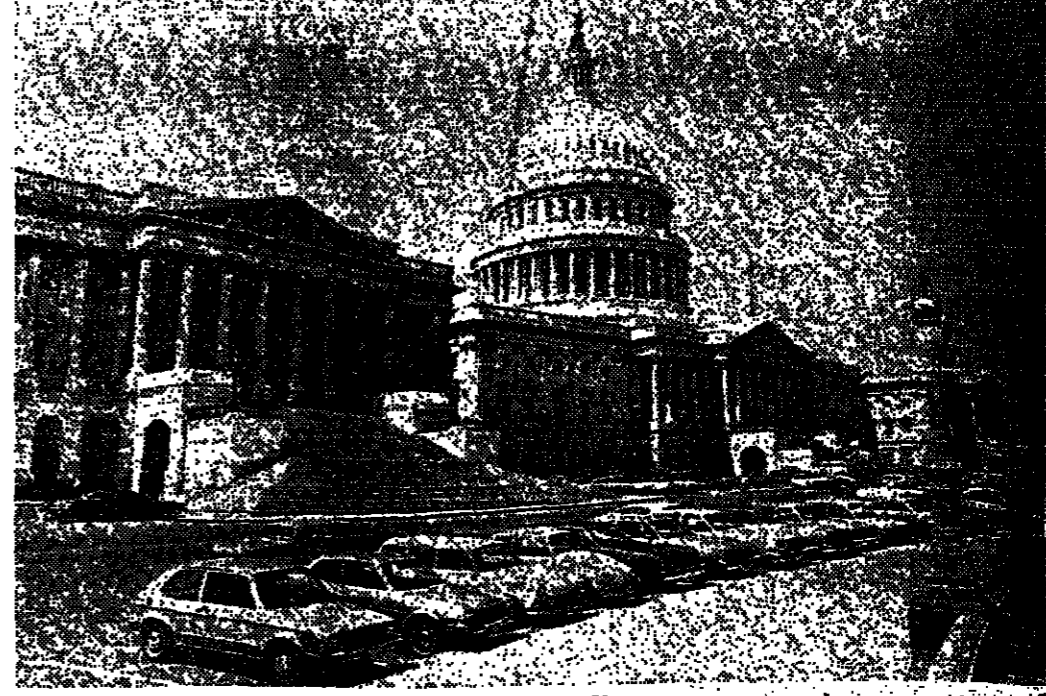
50,000 square miles and boasts some of the most beautiful and least-known parts of the eastern United States. In particular, the wine-growing Finger Lakes region near Penn Yan, New York amply repays a visit.

From New York City the visitor can make his or her way to Philadelphia, butt of countless jokes in America but actually a rather charming city which still has some of its 18th century past and remains proud of the fact that after London it was once the largest city in the British Empire.

West of Philadelphia lies the state of Pennsylvania. Popular among skiers in the winter, the state is amply supplied with state parks and state forests. It also boasts attractive small towns and the distinctive Pennsylvania Dutch—or Deutsch—country. The settlements of German immigrants here have been unaffected by all the changes of the past 150 years. The Amish people still live much as they have always done, speaking the language of their forefathers.

South of Philadelphia, more or less on the way to Washington are Longwood gardens, some of the most remarkable gardens in the country, and the Winterthur Museum of Furniture founded by the Du Pont family and located not far from Wilmington, Delaware.

Washington, the nation's capital, is now in the middle of a renaissance. Its museums are among the best in the world and its public buildings have a beauty and a grandeur that is quickly appreciated. Here again, however, sightseeing can be ex-



The Capitol, Washington. The public buildings, museums and monuments of America's political centre attract large numbers of tourists

hausting in high summer. South of Washington is Virginia, another state full of historical links with England. From Front Royal, Virginia, the visitor can take the skyline drive down to a point close to Charlottesville and Thomas Jefferson's marvellous hilltop house of Monticello. Then it is a simple journey to Williamsburg, the restored colonial town that is at the heart of a region which was settled by the earliest colonial settlers.

Williamsburg takes the visitors through North Carolina down to Charleston, particularly if the sticks close to the sea. The outer banks of North Carolina which jut out into the Atlantic are especially fine. Charleston is the archetypal Southern town where the first shot was fired in the American Civil War. There is, then, much to appreciate in the eastern parts of the United States—much more than many European visitors imagine before they go. But it is worth

remembering that it is a big area and even three weeks is little enough time to see it all. Careful advance planning will pay dividends. The motorways are available in such profusion that it is quite easy to make up for lost time if necessary. But what can be most rewarding of all is just to meander through New England in spring or autumn, finding an unspoiled and gentle America that is surprising as it is unspoilt.

David Bell

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Vastness of the West a grand spectacle

AT THE TIME it seemed we had been everywhere. The rented car had nearly 3,000 miled miles on its clock when I headed back at Los Angeles airport than it had shown a few weeks earlier in Denver Colorado.

That car had journeyed through the snows of the Rockies and the Sierras, it had baked in the Mojave desert, it had hung perilously on bends down California's spectacular Pacific coastline and crunched over dirt roads in the rattlesnake country of southern Utah.

And yet the silver gauding Chevrolet that only objected once (when an eager hotel doorman insisted on parking it and then left the lights on—Mr. Avis rapidly put things right) had traced a course which now appears only a scratch on the giant map of the American West.

Its wheels never rolled the highways of Texas or New Mexico, and its occupants missed the spectacular glories of Oregon and Montana.

Nowhere in the U.S. does the sheer size of the country become more apparent than in the West. You can drive for a couple of hours at the regulation 55 mph without seeing a petrol station, never mind the urban sprawl and lofty buildings with which the average European often associates America.

Two things unite this vast region of considerable physical differences—space and friendliness. In the West the pace tends to be different and the stranger is greeted with warmth. When the breakfast waitress says her usual: "Hi, how are you today," you almost believe she wants to know.

For the European visitor the more likely gateway cities to the West are Houston, Denver, Salt Lake City, San Francisco and, most likely of all, Los Angeles. All of them offer widely differing attractions of their own. For the first-time visitor, eager to see everything that is avail-

Skiing in vogue

AMERICA'S West is becoming increasingly popular with European skiers. Several British tour operators offer Rocky Mountain and Sierra resorts in their programmes.

Most of the western resorts are purpose-built complexes, often run by corporations rather than local government. Aspen's skiing, for example, is largely in the hands of Twentieth Century Fox which bought the Colorado resort corporation with the money it made from Star Wars. The resort is usually smoothly interwoven service in which hotels, lift operators and transport organisations work closely together.

Western resorts are usually extremely high by European standards, often with runs between 8,000 and 12,000 ft up.

This normally means consistent snow conditions from mountain top to village street. Runs are well maintained (or manicured as they prefer to say) and lift queues short.

Most of the skiing is designed for competent recreational skiers. Europeans who like a lot of narrow gulleys and icy trails are likely to be disappointed. Instead, they have to accustom themselves to deep dry powder and broad avenues graded by their steepness than other hazards.

A subjective list of the West's best ski resorts would be: Aspen, Vail and Steamboat in Colorado. Snowbird and Alta in Utah, Taos in New Mexico, Jackson Hole, Wyoming, and Heavenly Valley, California.

Denver is somewhat smaller, but still a gateway rather than a destination. Salt Lake has more charm, a restful, relaxed city which feels part of the country that surrounds it. The real gem, of course, is San Francisco, whose hills and waterways have defeated man's attempts to sprawl and instead left an atmosphere of intimacy and personality.

The drive from San Francisco to Los Angeles is one of the wonders of the world, a constant scenic drama of steep hills, green hills, crashing seas and small towns. The remarkable thing about this coast is that few people live on it. Once you have left San Francisco and passed through the old fishing villages of Monterey and Carmel you leave people behind.

Much of this coastline faces seamen of old—and indeed still does today—with daunting dangers. This, plus the rocky coastal hinterland, combined to discourage settlement. Even today the main freeway is well inland, leaving Highway One almost a country road. When I travelled it in May of this year, there seemed to be many bicycles than cars.

Given a week or 10 days, the combination of Los Angeles, San Francisco, and the coast between the two, would give a visitor a taste of America covering a considerable spectrum. There is some hope that the coastal strip would destroy as many illusions about America and its life-style as Los Angeles confirms.

For the British traveller cost are acceptable and often pleasantly surprising. As long as the pound is above \$2 the British visitor is likely to find he is getting a bargain.

Outside of the major cities this spring I never paid more than \$25 a night for a room, usually using hotels in the Travelodge chain (part of Trust Houses Forte) and Best West

able, the choice is baffling. The decision is made easier to some extent by what I regard as the one basic ground rule of any visit to the western U.S., and that is the need to see one or two at least of the national parks. Yellowstone, whose vast range is mostly in the northwestern corner of Wyoming, is the sort of place that defies description, if only for the fact that it is remarkably untouched by civilisation. The bears still roam and visitors can still easily find themselves lost.

But Yellowstone is only an outstanding example of a remarkable range of natural wonders which await the visitor.

In Utah there are the amazing rock formations of Arches and Zion national parks, further south lies the spectacle of the Grand Canyon, while close to the eastern borders of California lie Yosemite and Sequoia (Kings Canyon).

While the eastern states of America can provide excite-

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هكزان الثحول

Profound change in South's attitudes

NO REGION of the United States has changed more than the South in the past 20 years.

The old Confederate states—the battle ground for the civil rights movement of the 1960s—have made enormous progress. For example, only last month Birmingham, Alabama, elected its first Black Mayor, a result which would have been unimaginable 15 years ago.

Part of the reason for this profound change in attitudes has been the rapid industrialisation of the southern states which are now often referred to as part of the Sunbelt—the strip of states that make up the southern third of the U.S.

These states have attracted billions of dollars of new investment as companies have taken advantage of lower labour costs, cheaper land and good weather and moved many of their operations to the South and South West.

But the South has not lost all its charm even if it is no longer the magnolia scented, plantation-dotted region so beloved by those who have seen the film *Gone with the Wind*.

For tourists the region does have its limitations, but the area can be divided into three distinct regions and each has something to offer. The fastest-developing tourist destination, as far as Europeans are concerned, is Florida. The Deep South—Georgia, Louisiana, Alabama, Mississippi and Tennessee—is less popular but fascinating to explore if time and distance are not too great a problem. And finally there is Texas whose 267,000 square miles inevitably make it a place apart.

Fantastic

Florida is perhaps best known for Miami—and the resorts that line the coast next to—and for the fantastic Disney World at Orlando in the centre of the state. Miami has become a popular destination for British package tour companies, many of whom expect it to develop into a major holiday centre for Europeans in the years ahead.

Disney World, even for those who do not have children, is not to be missed. To see it properly takes about two days and there are thousands of newly-built hotel and motel rooms within easy reach. AMTRAK, Greyhound and several airlines offer special package deals to the area, which also features several other tourist attractions including Circus World, Sea World and in Tampa the famous Busch Gardens Amusement Park.

Florida offers sun and sea—no part of the state is more than 70 miles from the sea—but it is not a state of great historic interest. However, it is also worth seeing the Everglades National Park, one of the last great wilderness areas in the U.S., and Kennedy Space Centre which offers visitors full tour of the facilities.

Some visitors to Florida have been put off by the inexorable way in which the coast line has

been developed and by the over-commercialisation of parts of it. But there is a lot to see and, at the very least, the weather can almost always be relied on.

The Deep South—New Orleans always excepted—is more to be appreciated for its rural attractions than for its cities. Atlanta, for example, is a disappointing city which was largely destroyed in the Civil War and has none of the charm that European visitors might expect.

On the other hand, Savannah, Georgia, is a fine Victorian cotton town which has survived more or less unspoilt. And Natchez, Mississippi, which is not too far from New Orleans, is an interesting early 19th century town on the banks of the Mississippi river which has been gently decaying ever since the railway bypassed it and took most of the riverborne trade in the second half of the last century.

In the rural South the visitor can still find echoes of the past. Small towns are still a little suspicious of strangers though in the most remote of them it is clear that the pace of change has been much slower than elsewhere in the South.

All these states boast excellent state parks and plenty of opportunities for fishing and hunting. In Tennessee, the Great Smokey Mountain National Park—at the southern end of the Blue Ridge Parkway which runs north to the sky line drive and on almost to Washington—is one of the most spectacular in the country. And in Arkansas the Hot Springs National Park has some of the best thermal springs in the country.

The area has its share of the unexpected. In Oak Ridge, Tennessee, for example, there is an excellent museum of atomic energy. And off the coast of Georgia—on Jekyll Island—is a wonderful seaside "settlement" first developed by the men who made their money during the great industrial expansion of the 19th century. Here, and elsewhere in the rural South, hotels and motels are still surprisingly cheap, even in high summer.

The biggest tourist attraction for Americans—excluding Florida—is, of course, New Orleans. For Europeans it is perhaps less interesting, at least on first sight. The French Quarter of the city has been heavily developed and despite its past may seem more American than European.

Courtyards

But away from the most developed parts of it the old part of New Orleans is extremely attractive. Fine old houses built in a mixture of French and Spanish styles, old apartment buildings, alleys and half-hidden courtyards make it a fascinating place to explore on foot. And it offers some of the best food and, of course, some of the best jazz in the country.

About 100 miles to the west of New Orleans is "Cajun country," a unique region famous for its Creole food where many of the people still speak French.

It is only an hour by air from New Orleans to Houston, the fastest-growing city in the U.S. and the centre not only of Texas but also the world oil industry.

Architecture

Texas is so huge that it is best seen by air rather than by car. Houston boasts its space control centre and some of the most beautiful modern buildings in America. It also has the huge indoor Astrodome Stadium. But beyond that there is not all that much to see. And Dallas, the state's other large city, can safely be avoided altogether.

San Antonio, in the south of the state, is the home of the Alamo—where Davy Crockett died in the famous siege by the Mexicans—and it has a certain charm, but is probably not worth a special trip. The

real appeal of Texas is perhaps best appreciated after a trip to the 823,000-acre King Ranch, the largest in the country. It sprawls over four whole counties and a special tour is available for visitors.

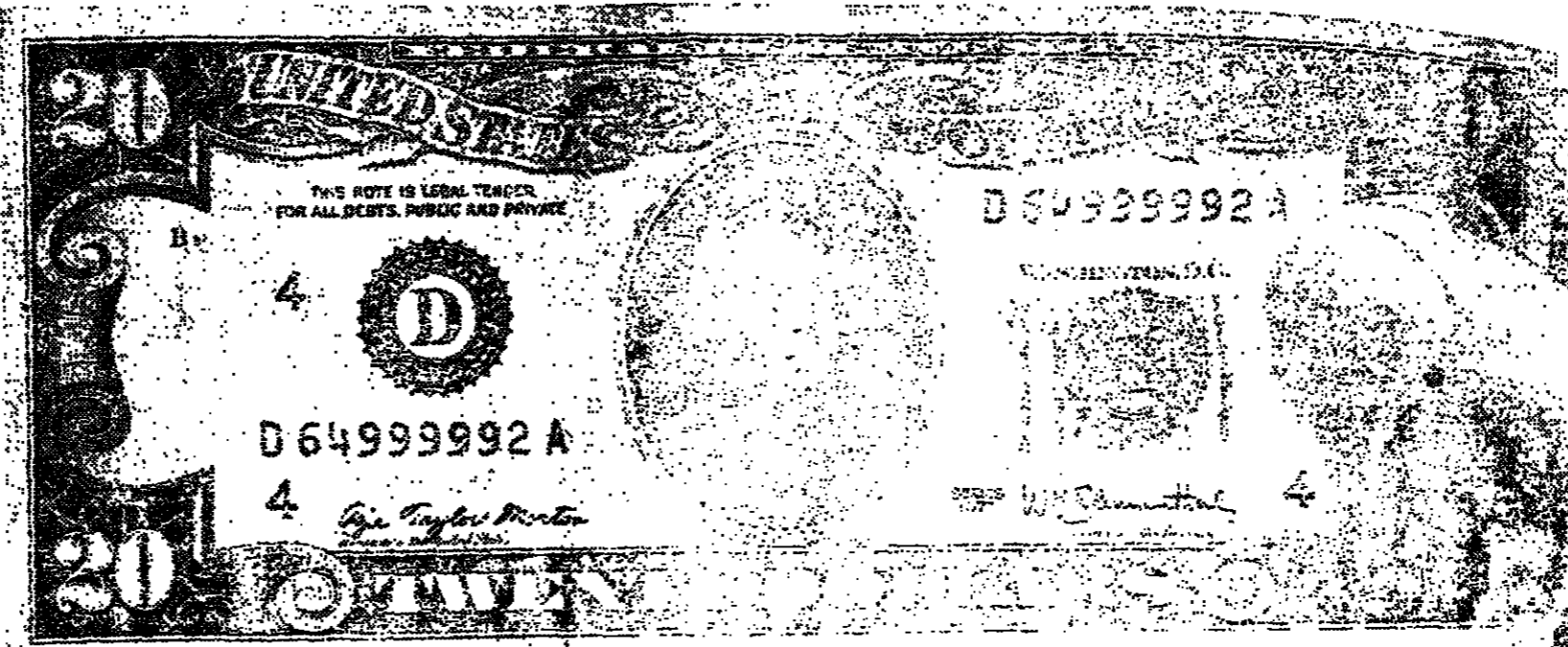
Indeed, Texas is one of the most hospitable states in the Union and one where good Mexican-American food is readily available. But for those who have only limited time to see the South it is probably true that Texas is the least-rewarding state for the tourist in the region.

It is unlikely that the South will ever rival the far West or the East Coast as a prime destination for European visitors. But it is an area that has fascinated Europe for a long time, with a distinctive character that has survived the modernisation of the past 15 years. And the new international air links to Houston, Dallas, New Orleans and Atlanta make it much more immediately accessible from Europe than it has ever been before.

David Bell



The Alamo at San Antonio, Texas, besieged and captured by Mexican forces in America's frontier days



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The West

CONTINUED FROM PREVIOUS PAGE

tern. Next year doubtless America's inflation will have nudged the rates up a bit, but they would have to rise by a surprising amount for them to be anything like what would be charged for the same air-conditioned, colour-TV, swimming pool comfort in Europe.

In the big cities the prices edge higher. Expect to pay \$40 or more for city centre, first-class accommodation. You can pay much less, of course, and, if you choose to sample the spectacular architectural splendours of say the Hyatt Regency in San Francisco, somewhat more (it's worth it for a night or so).

Is there therefore nothing wrong with the West? Well, yes, there is. Unless you are a motoring tourist information can be hard to come by. Greyhound bus stations offer little in the way of maps and guides and where towns have tourist aid centres they tend to be on the main routes into the area rather than downtown.

Food is fine if you like constant breakfasts and steak, a bit limited if you don't (not in the major cities, of course). If you don't eat by eight in some cities you'll be lucky to find

anything open but a pizza parlour or a hamburger house. An absolutely invaluable aid to both eating and accommodation in the West, and indeed to any other part of the U.S., is the Mobil Guide. There are editions covering various parts of the U.S. They detail the size of towns and offer a brief description before launching into a look at local hotels and restaurants. The guides usually also include a selection of discount cards for local attractions.

Guide

Each guide costs only a few dollars and since they are widely available in the States I would urge waiting until you get there before buying one. This year's editions were available in Britain only in the early summer while they were on the American bookstalls much earlier, and no one wants to use a year-old guide which has cost twice what is charged for a new edition locally.

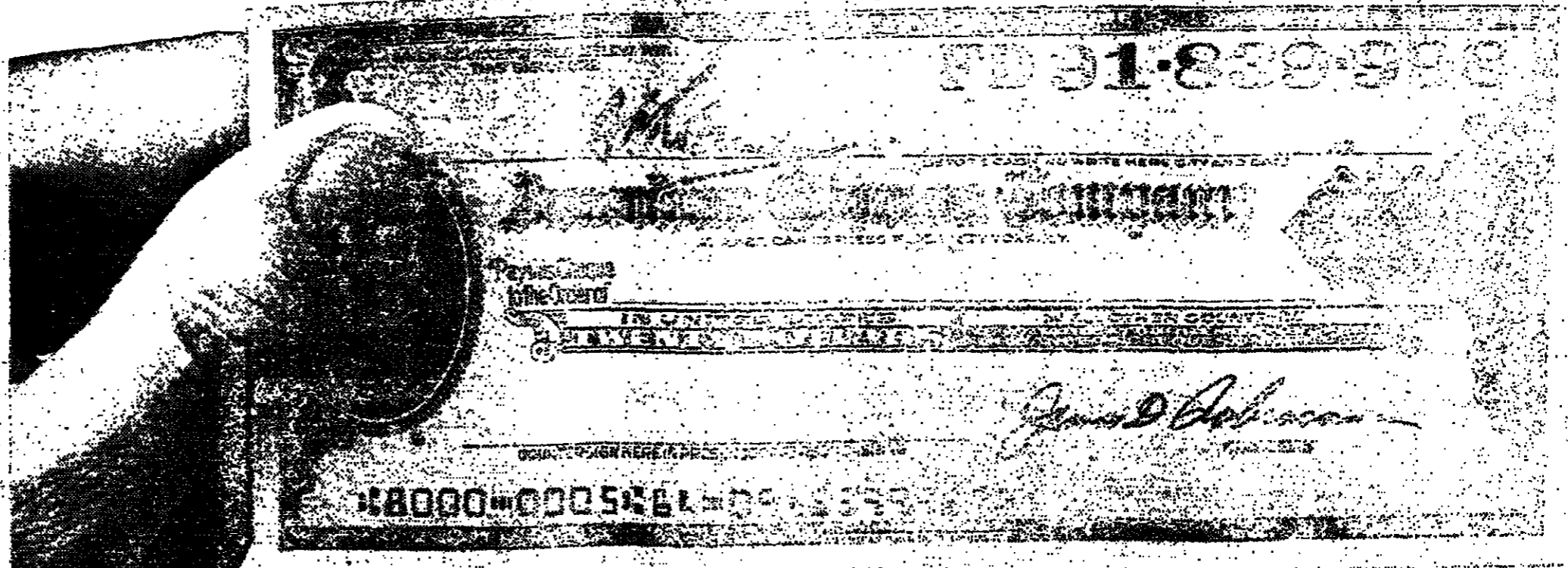
Most other guide books should be treated with extreme caution. Usually they are like this article: they attempt to do far too much in too short a space.

Arthur Sandles

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U.S. TRAVEL AND TOURISM IV

Cheap air fares battle

THE U.S. AIRLINE industry has always made innovations. Many of the developments which make life cheaper or more convenient for the air traveller have begun there, and percolated eventually through to the air travel systems in other parts of the world. Examples include such benefits as kerbside check-in to avoid congestion; walk-on "no reservations" Shuttle systems, such as those introduced by Eastern Air Lines between New York and Boston and Washington several years ago and subsequently copied by British Airways.

More recently, the biggest new development has been "de-regulation"—allowing greater freedom of entry for airlines on domestic routes, thereby stimulating competition and resulting in a substantial reduction in fares. This development has been watched with increasing interest in Western Europe, where there has been considerable pressure to emulate it.

One of the problems in assessing the impact of de-regulation, however, is that its effects now appear to be clouded by the impact of soaring fuel costs, and the onset of economic recession.

Protagonists of de-regulation, such as Mr. Marvin Cohen, the chairman of the Civil Aeronautics Board, have argued that the current slackening of growth, and declining profits, are not the fault of greater competition stimulated by de-

regulation. He claims the new system has forced the industry to slim so that it has been in fact leaner and tougher to meet the effects of recession.

In his view, the de-regulation has given the industry a much-needed flexibility to cope with a downturn in the business cycle, and that de-regulation should not be confused with recession.

Worried

But it is a fact that in the domestic U.S. airline scene there are now some worried executives. Traffic which was buoyant earlier this year, at a time of high profits, is now declining, and some of the new inter-city routes introduced as recently as a year ago in the wake of re-regulation have already been dropped. Other routes are also being shed as profits fall, and some labour layoffs in the U.S. industry are forecast for the coming winter.

While the country's domestic airlines continue to provide a gold-mine for the cheap fare hunter, with many cut rates available, there is no doubt that rising fuel costs are already biting deeply into revenues already eroded by cheaper fares, and new fares rises are already in the pipeline.

Just how long many of the cheap fares which have prevailed over the past year or so can be sustained will depend entirely upon the trend of fuel

prices this winter, upon inflation, and upon the effects on the airlines of an economic downturn.

To a large extent, the situation in the domestic airline industry has been matched on the North Atlantic. Cheap fares, resulting from pressures from the Civil Aeronautics Board on both U.S. and foreign airlines, and especially from the refusal of the CAB to accept the fare-fixing methods of the International Air Transport Association, may have stimulated a substantial volume of traffic, but it has been profitless growth, in the face of mounting fuel and other costs. But even this situation does not seem to have prevented major U.S. airlines from seeking new routes to the Continent. For example, this year National has inaugurated scheduled flights to Zurich from Miami, and from New York to Amsterdam, while Delta has begun flights between Atlanta and Frankfurt.

The U.S. airline industry has also been particularly critical of the Anglo-U.S. Bermuda Two bilateral air agreement, which it believes to particularly restrict the rights of U.S. operators in a de-regulatory environment.

So far, apart from some mutterings, there have been no outright demands for denunciation of the agreement and negotiation of a new one to provide more opportunities for U.S. airlines. It is possible that the

newly-emerging climate of uncertainty over future traffic, costs and profits, in the light of the economic situation, is forcing the U.S. airlines to pause before pushing too hard for a new agreement that, while providing new opportunities for services, will do little to improve profitability.

Noisy

As a result of the soaring fuel bills—in July alone they rose to a level 64.3 per cent higher than in the same month a year ago—and the downturn in traffic at the start of the winter, there is some concern in the U.S. airline industry over its ability to earn the returns on capital necessary to finance the new jet fleets needed through the 1980s to replace existing noisy, fuel-thirsty and ageing fleets.

Reports from many airlines indicate that the slackening in the rate of traffic growth which became apparent in September has continued into October and the situation is summarised by one airline spokesman as being "funny: we are drowning in apparent prosperity."

One estimate is that this year's profit margin for the U.S. domestic airline industry as a whole will be about 2 to 3 per cent, or about half the rate recorded in 1978. Fare rises of up to 25 per cent allowed so far this year by the CAB to compensate for fuel price rises are

inadequate, and several airlines have already asked for more.

The Air Transport Association of America has forecast that, notwithstanding recession, demand for air travel through the 1980s is likely to run at an average annual rate of growth of 7 per cent, compared with the 11 per cent in the three years from 1976 to 1978, and the 15.8 per cent recorded in the first six months of this year.

The ATA foresees the U.S. domestic industry carrying about 825m passengers a year by 1990, against this year's 300m.

The ATA study suggested that if the nation's airlines are to accommodate this traffic growth with the most productive aircraft available, they would need to invest about \$80bn in new aircraft up to 1990, of which \$30bn will be for passenger aircraft, \$7bn for freighters, and \$3bn for aircraft already ordered for delivery later this year.

To meet these bills, the airlines will need to sustain consistently high profit levels, as the only means of generating



The country's domestic airlines are innovators in air transport. Here passengers board an Eastern Airlines shuttle flight on the Boston-New York route

the necessary internal funds and attracting outside capital. The ATA has suggested the industry will need an average annual corporate return on investment of between 18 and 19.78, for example, the return was 13 per cent, and for 1979 it could be lower. Much depends upon what happens in the current quarter of the year, which appears to have started gloomily for many airlines.

Michael Dorn

Tour operators in fierce competition

ONLY A FEW years ago anyone in Europe who suggested that there would be a North Atlantic routes marketing war among airlines and tour operators carrying passengers to the U.S. would have been regarded as somewhat unbalanced. But the unbelievable has happened.

Only a couple of seasons ago the Briton who wanted to holiday in the States had a fairly narrow range of tour operators to choose from, and most of the business was independently organised by the visitors themselves. Today things have changed as the tour companies seize on the prospect of America being the growth market of the 1980s.

Even on the bald basis of prices, the fierceness of the competition is immediately apparent. Jetsave, one of the North Atlantic mass-market pioneers in New York for £199; British Airways will give you a week in San Francisco for £318; Cosmos sells a fortnight in Miami Beach from £190; and if you prefer to go your own way Intasun will provide flight and a car for a week (two people) for £206 each.

Perhaps the above should have been written in the past tense, for such has been the rush of business that many of the less-expensive holiday offers for the coming year have been sold already, and some operators are frantically scrambling for additional capacity.

An example of the sort of demand which has been forthcoming has been given by Cosmos, one of Britain's biggest tour operators and a group which was quick to set up a full-scale tour programme to the States. In 1979 the company planned to carry 6,800 holidaymakers to the U.S. in the end, however, bookings in the main season exceeded 15,000 and about 3,000 people already have booked for this winter. Now Cosmos is upping its capacity to 50,000 people on 23 itineraries.

Mr. Sidney Silver, Cosmos managing director, says: "The most revolutionary development is that the U.S. dollar has become the bargain holiday currency. Food, transport and accommodation is cheaper now in New York and Los Angeles than in London, Manchester or Glasgow."

Inter-State Commerce Commission to use its own vehicles, runs a whole series of trips, an example of which is a six-week coast-to-coast tour from £339—although everyone is expected to put about \$15 a week into the food kitty.

Many tour operators have found a considerable interest in apartment renting in the U.S. This year American Express has been selling apartment holidays in Florida from £214, a price for one week which includes not only the flight but also a rented car with unlimited mileage.

The sudden discovery of America by the tour operating companies is the result of a series of happy coincidences involving transport and, of course, currency values.

Although the North Atlantic has not been a high-fare route by most standards, until a few years ago there were not many really cheap fares unless one was prepared to indulge in a little rule bending—joining the South Esher—Chicken Fanciers Club perhaps to qualify for charter rates.

The first break in that system was the setting up of the Advance Booking Charter system, which the British Civil Aviation Authority brought into operation after some determined fighting. After that Mr. Freddie Laker delivered the coup de grace to the old fare structures with his Skytrain. Everyone had to react to that play and the result has been a rush of low-priced seats.

All this happened at a time when the dollar was diving. Add to that the fact that much European business is at the very

time when the Americans themselves are enjoying home pleasures rather than heading for the resorts. Florida, for example, is a little hot in the high summer for the Americans themselves, so a summer influx of Britons and continentals eager to acquire a U.S. suntan is a welcome sight.

There is, of course, a degree of nail-biting over whether or not the dollar's relationship to sterling is going to remain at an advantageous level for the British. But most operators think there would have to be a really major change for there to be any substantial effect on demand.

Value

British Airways' Speedbird Holidays says unequivocally: "North America is going to be the world's major tourist destination in the 1980s. Until recently, traffic in the New World has been mainly on an independent basis, but the past 18 months have seen a greater emphasis on group travel, and this, combined with the stronger value of sterling, is creating an enormous growth market."

BA reckons that "in terms of hotel accommodation, air transport and local transport facilities, America is well geared to provide the services required but, in spite of a common language and shared traditions, the first-time visitor will find a completely different life-style and the American way of life may seem, at first glance, somewhat foreign."

So might the American way

of tourism. The difference between many British package tours to Europe and similar trips to the U.S. is that a American-style package offer but not always, leaves the visitor much more to his own devices. American travellers are used, for example, to complaining direct to hotel staff if things go wrong, rather than running to a tour representative.

American money habits are different—travellers' cheques are used as cash in stores and hotels, whereas in Europe the tend to be cashed at banks first a practice U.S. hotels and banks are utterly baffled by.

American insistence on credit cards is a mixture of myth and fact. Most hotels will ask to see your credit card, but rarely using it only as a means of identity and a reassurance against your running up huge bar bills and then disappearing. They will happily take cash and, if you absolutely refuse to use credit cards, usually will accept a sight of your passport as an assurance of identity. Only renting a car is difficult without credit cards and even then a fistful of money usually quietsens the most questioning of staff.

America is certainly different but the package tour companies and airlines are finding their clients feel the difference is an appealing one. Obviously all think that the growth in the market will continue to be substantial and, while the price and marketing war continues, it is going to continue to be buyer's market.

Arthur Sanders

There's a lot to see in Miami. And it doesn't cost a lot to see it.

You can look out your window or over your terrace at the beautiful world of Miami for a lot less than it costs to view the rest of the world.

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LAKER

AIR TRAVEL

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Hotel chains across the country guarantee uniformity and good value. This one is in Las Vegas

Hotels offer value for money

ALL THE way from their free nationwide reservation systems to their individually packed and "sanitised" toothbrushes, American hotels have a well-earned reputation for efficiency and cleanliness. There are exceptions, of course, but it is rare that a traveller lodging in medium-priced accommodation feels he is getting poor value for money.

Conversely, it is rare that a traveller can tell the difference between a motel in Florida and one hundreds of miles away in Oregon. Despite all the attempts to dress hotels up in "local colour," there is a remarkable sameness about American lodging houses wherever they may be. Again, there are exceptions.

Both these attributes — efficiency and sameness — have to do with the fact that the vast majority of American hotels are run by only a dozen or so large chains: Holiday Inns, Best Western, Howard Johnson, Ramada Inns and so forth, with the Sheratons, Hiltons and Intercontinentals occupying the higher echelons.

This enables the companies who own them to achieve tremendous economies of scale by buying everything from monogrammed soap tablets to colour TVs in bulk. But similarly, many of the chains build most of their lodging using the same architects plans. Howard Johnsons, for instance, has near-identical establishments all the way along a large section of Interstate 95, the main motorway running up the U.S. East Coast.

Guarantee However, for the foreign traveller touring the U.S., these chains have great advantages. Because they have unified reservation systems, a single toll-free telephone call can often reserve rooms all round the country. Similarly, some chains guarantee certain facilities at all their establishments, whether they be in New England or California. Holiday Inns, for example, always have a laundrette, a great boon for family or group travellers who want to save the expense of sending their washing out.

And whatever monotony the sameness may produce, it is also a guarantee that a hotel in some distant town will live up to expectations. Rates in U.S. hotels have been affected by inflation, like everything else. But prices need not be excessive, particularly if travellers take advantage of the family or special rates on offer. Many motels will accommodate two children under 18 free if they stay with their parents. During this summer's season, a typical price for a double room was \$30, though it could range from \$20 to \$50 a night. In popular resort areas or large cities, prices would be somewhat higher.

Competition is keen in car hire sector

EVEN BY the rough and tumble standards of the car rental business there was more than a touch of madness about the month of October in the U.S. The craziness began when Budget Rent a Car, the country's fourth-largest car rental company, launched a major advertising campaign during the prime viewing season of the world series baseball tournament. The gist of the ads was that whatever Hertz, the industry leader, could offer for a small car day rental rate Budget Rent a Car could do it \$10 cheaper.

Hertz, which has something of a reputation for taking umbrage at this cut-and-thrust style of advertising common in the car rental industry, responded by slashing its rates by over 30 per cent to match Budget and demanded that the television networks drop the Budget commercials. Budget hit back with a second advertisement, claiming that it could undercut by \$10 on the daily rate for intermediate size cars. Hertz responded in similar vein to the small car challenge and again demanded the withdrawal of the ad. After a few more days of claim and counter-claim the upshot was that rates returned to their previous levels, with Hertz claiming that Budget could not enforce its price structure anyway because of its franchising system and Budget happy that in its own view it had proved the point that it was and is the cheapest of the big four car rental companies. It is impossible, from a consumer survey point of view, to provide solid and objective guidance as to which company really is the best. The only way to tell is for each customer to work out in detail his own requirements on car size and as precisely as possible the distance he expects to travel over what period of time. If such a calculation is made the rate available in any given part of the U.S. can be seen to be dramatically divergent, with gaps of 200 or 300 per cent.

Crisis

A lift was given to the fly-drive business in particular and car rentals in general by the petrol shortage in the U.S. earlier this year when, initially for reasons of cost, the long car trip was often replaced by the flight plus car rental. As the fuel crisis worsened the rental companies also gained ground with their ability to offer a full tank of petrol with their cars. "California drivers rent their gas—with a car thrown in" as one headline of the period put it. All of the major companies expect this growth to continue. Budget's sales were up 40 per cent last year at \$350m. National says its number of transactions is up 16 per cent this year against last year. Hertz showed first-half revenue of \$541m this year—a gain of more than 20 per cent—and says it expects the number of transactions it handles next year to increase by 12 per cent. Avis's sales and profits have also grown strongly in the last year. Even America's demographic trends favour the industry, with an increase in the 30 to 40 age group of the population—the industry's biggest customer group—excepted in the 1980s.

Effort

Generally speaking, unlimited mileage deals are best, but even this is not true where one company might be offering the first 100 or 200 miles at no extra cost to its basic daily charge. As a rough guide, the going rate is about \$20 a day for a small car on unlimited mileage or \$100 for a weekly rental. Weekend rates are slightly lower in most cases and every company boasts cheaper rates in Florida, where the tourist business is strongest. Although leisure travel accounts for no more than 30 per cent of the industry's business it is the most rapidly-growing sector and the area where the companies are currently putting a lot of effort.

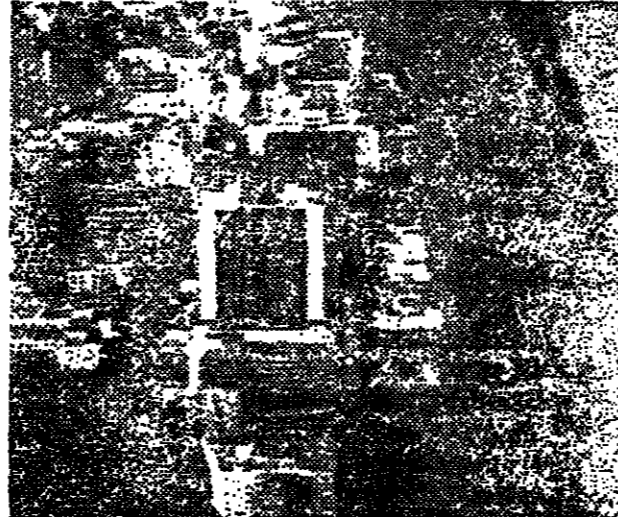
However, for the tourist, the basis for a decision on whose car to hire often comes down to which company is represented at the airport. Airports are the U.S. industry's key selling point and competition for floor space at the airports has intensified since a Federal Trade Commission investigation in 1976 forced the three largest companies in the industry—Hertz, Avis and National—to end their alleged collusion to keep out the competition. Budget, which three years ago had counters at 94 U.S. airports, now has 180 such offices in the U.S. Airports have always been the main point of sale for business customers but the preponderance of fly-drive packages for tourists is increasing further the importance of an airport presence. There are a number of European tour operators who now sell fly-drive direct and within the U.S. the domestic fly-drive network is extremely well developed.

This winter National gives you America's warmest welcome with Super Tours in the USA and the Caribbean.

If you still imagine that a Florida tan is only for the wealthy jet-set — we have news for you. It's no longer true. Because now, National Airlines offer you winter holidays in Florida and the Caribbean that don't cost more than an equivalent Mediterranean holiday. We'll take you on 'stay-pui' holidays in Miami, on flexible, 'get around and see the sights of Florida' fly-drive holidays, on Caribbean cruises. We've even got holidays

based on Florida's exciting Walt Disney World. A whole magic carpet of Florida's! Below, you can see brief details of just a few of National Airlines' low-cost, high-quality holidays available right through the winter months. Travel is from Heathrow on National Airlines' comfortable wide-bodied jets. You leave at 11.15 am on our daily scheduled flights to Miami, arriving in time for a swim and a drink before

dinner. Hotels include some of the best and most luxurious in Florida. Because eating-out in America can be so enjoyable and so inexpensive (a steak dinner in a fast-food restaurant for about £2.00, a cooked breakfast from about 50p, and a gourmet dinner for around half what it would cost in London) the package rates given below include flight and accommodation only (plus a car or sight-seeing where specified).



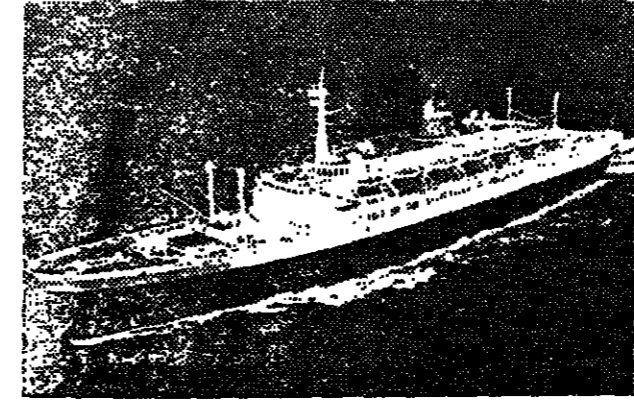
Luxuriate in Miami.

We'll take you to glamorous, luxurious, sun-drenched Miami. You'll stay in one of the famed Miami hotels — all of them noted for American service and wonderful holiday facilities. At the Dorland-on-the-Ocean, for example, you can live it up in the Cabana Club, splash in a freshwater pool (not to mention the Atlantic), be entertained at the 'Starlight Roof Night Club' and recover in the Health Club and Sauna. At the Fontainebleau Hilton you'll find an incredible half-acre pool in a tropical grove with a bar behind a giant waterfall. The young car, even soar down a remarkable waterslide. Then there are 1,000 feet of private beach plus day and night tennis — and there's an 18-hole PGA golf course within easy reach.

9 days (7 nights) from £287 per person. Price includes flight, hotel and a sight-seeing tour of Miami.

Flexible, Fly-Drive holidays.

If you'd like to be more mobile and tour the sights, the coast and countryside of Florida, we've got a superb collection of fly-drive holidays. Prices are based on fly-drive holidays that include accommodation. The price given below is for a tour that includes your flight to Miami from Heathrow and the hire of an air-conditioned car for two people. There's no mileage charge (insurance etc. is extra) and petrol, which you should have no difficulty buying costs about half as much as it does in the UK. 9 days (7 nights) from £285.50 per person. Includes flight, car hire and accommodation vouchers.



Sail away... into Caribbean sunshine.

Wait till you see our tempting Caribbean cruise plans! You'll want to fly straight to Miami and board a luxury cruise ship that will take you away to exotic islands in the sun. With names like St. Lucia, St. Croix, Haiti, Puerto Rico, St. Thomas, Grenada, Martinique... And there are 14-day cruises, too. 7-day winter cruises sailing from Miami from £429 per person. Price based on two persons sharing and including flight and one-night hotel accommodation in Miami.



The Wonderful World of Walt Disney.

For a really exciting and novel experience why not combine your Florida holiday with a trip to the Wonderful World of Walt Disney. You can stay at nearby Orlando or in the Walt Disney World Village of Lake Buena Vista. From here you can visit the Magic Kingdom and voyage with marauding pirates, journey through a world of singing children, shake hands with your favourite Walt Disney character, take a fabulous steamboat cruise stopping off at Discovery Island, and experience countless other magical adventures. Two- to seven-night holidays at Walt Disney World are available. 13 nights in Florida including 3 nights in Lake Buena Vista from £499 per person. Price covers 10 nights in Miami Beach, travel and accommodation at Walt Disney World's Royal Plaza Hotel in Lake Buena Vista and admission to many attractions.

For further details see your Travel Agent or fill in the coupon. To: National Airlines Inc., Tours Dept., Wellington Road, Chertsey, Folkestone, Kent CT20 3PS. Please send me the fullest details about your 1979/80 Super Tours programmes. Name _____ Address _____ F.T.2.

Fly National Airlines America's warmest welcome

U.S. TRAVEL AND TOURISM VI

Buses' appeal grows

BEFORE THE introduction of a nationwide 55 mph speed limit in the United States it was a common sight on motorways to see sleek, silver Greyhound buses cruising by at 80 or 90 miles an hour on their way to any one of the 14,000 destinations the buses serve.

Now the buses go slower (though not always quite as slowly as the speed limit) but they still offer an unrivalled way to travel across America. Both Greyhound and Continental Trailways, the two main inter-state bus companies, offer very competitive rates for periods of unlimited travel. And there is no other way to reach many parts of the country by public transport.

The bus companies first recognised their appeal to foreign travellers more than 20 years ago and both have offices in Britain and elsewhere in Europe. The number of foreign passengers has grown over the years although neither company has precise figures because it has no idea of the nationality of passengers who buy tickets once in the country.

Both Greyhound and Trailways are also now tapping the bus charter market for foreign tours and they expect this to be a fast-growing sector over the next few years as the fall in the dollar and the advent of cheap air fares make the U.S. a steadily more attractive place

for European and Japanese visitors.

As generations of bus travellers have discovered, however, there are some disadvantages to bus travel. Chief of them is that most of the terminals are located in the less salubrious downtown areas of America's larger cities—usually areas of high crime rates where it may not be safe to venture late at night.

The terminals also tend to be some distance from good hotels and it is not always easy to find a taxi or a bus to get to them. Some travellers have been a little disillusioned after being forced to spend all night sitting in a forlorn terminal in a large city.

However, the companies say that they have been making big efforts to brighten their terminals and they point out that most of the larger cities now have suburban terminals as well as a main interchange point in the centre for those travellers who want to stay out of the centre at night.

There is no denying that travel by bus is remarkably cheap. A 15-day Greyhound Ameripass or Trailways Eagle Pass allows its owner unlimited travel anywhere in the U.S. or Canada for only \$195 plus a small fuel surcharge. The cost of the same pass for 30 days is \$325.

It is possible to see a great deal of America in this way even in 15 days although it is probably unwise to rely on the bus for long-distance travel right across the continent. New York to Los Angeles, for example, can take as little as 44 hours straight through but it is a punishing way to travel 3,000 miles.

Most visitors, according to the bus companies, travel no more than 400 miles a day and use their bus passes to break carefully-planned journeys. Thus they might take two weeks to cross the country by bus and then fly back to New York.

Alternatively, both companies offer passes for unlimited travel within particular areas, of which California, New England and Florida are the most popular. These are cheaper than the nationwide passes but are less favoured by foreign travellers who prefer the flexibility to travel anywhere they wish.

The advantage of bus travel—above all its flexibility—has not been lost on a number of European package tour operators who now offer two or three-week bus trips across the U.S. from New York to California or vice versa.

These trips are usually made in 35-40 seat buses which are

fully air-conditioned and with a guide provided. Hotels are booked and pre-paid in advance and sightseeing is also thrown in. These tours have already proved so popular that the companies are making arrangements to meet increased demand next summer.

Last summer, when the petrol shortage was at its height, the major bus companies could not keep up with the demand for charter buses as Americans developed a new-found enthusiasm for all kinds of public transport. This has since waned but overall use of the buses this year has increased and the industry expects 350m people to travel on inter-city buses this year.

This figure is a significant improvement on last year's 335m but still well below the 388m carried in 1974 at the height of the first oil scare.

The most important consequence of this increase in bus travel has been that, particularly in summer and at holiday times, it can be very difficult to get on a bus. It is thus more essential than it once was to plan a bus holiday quite carefully in advance and, wherever possible, make advance reservations.

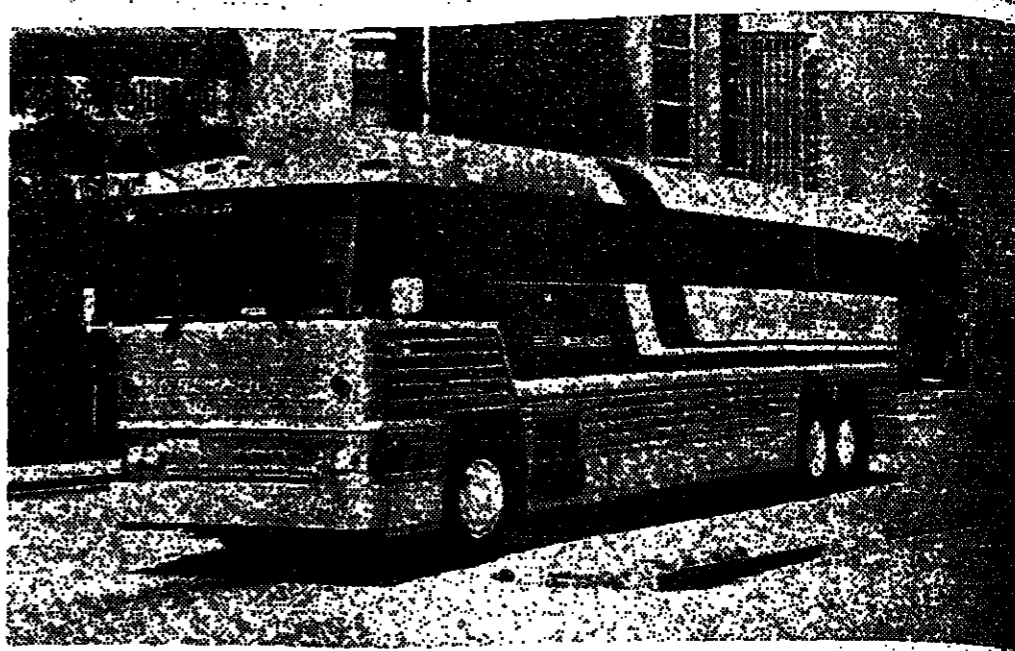
It is also worth getting the Trailways or Greyhound schedules to see how much time journeys are estimated to take.

Distances are vast by European standards and it is important not to plan legs which are too long for comfort. For example, a bus trip from New York to New Orleans can take 30 hours even though on the map it looks a relatively short distance. And in the West the journeys are even longer.

Greyhound and Trailways have been vigorous competitors for years but they have now entered a new period which promises to be even more competitive. Trailways was sold in August to a private group headed by Mr. James Kerrigan, formerly the chief executive officer of Greyhound. Analysts expect the two companies to be much more aggressive in the future as a result.

For its part Greyhound is a subsidiary of the Greyhound Corporation, a conglomerate with headquarters in Phoenix, Arizona. In 1977 Greyhound Corporation had gross revenues of \$3.9bn. The transport division of the Greyhound Corporation, which includes some local bus lines, as well as the inter-state services, had net earnings in 1977 of \$26.5m. Last year, it reported a drop in earnings to \$21.5m.

But although the industry is dominated by Greyhound, which is three times larger than Trailways, its largest competitor, these companies do not have the



Air-conditioned buses such as this one operated by Greyhound are an unrivalled and inexpensive means of travelling in the U.S.

Rail routes rescued

market to themselves. There are 1,100 independent inter-city bus companies in the U.S. which specialise in inter-state or inter-city travel. And they operate apart from the authorities that run public transport systems in the nation's cities.

The rise in the price of petrol has given the bus a new-found popularity but it is still, in American terms, not nearly as popular as air travel. For foreigners, however, it is a superb system which, if used carefully and with trips planned in advance, can be the cornerstone of a very successful holiday.

THE AMERICAN passenger rail network, neglected and grossly under-financed for more than 30 years, is now only a shadow of its former self.

Visitors to the United States who expect anything similar to the European or Japanese network of frequent, high-speed trains will, for the most part, be disappointed. But the train is still a good way to see some of the most beautiful—and most remote—parts of the country, and there are still a few routes where the train is as convenient as it is in Europe.

In 1971 Congress rescued what was then left of the American rail system to prevent passenger services vanishing altogether. Most of the country's railroad companies had long since lost interest in passengers and abandoned them in favour of freight. Airlines and inter-state bus services willingly took over the rail passenger market and the railroads scarcely bothered to compete.

The new body created to run the passenger network was called AMTRAK and it faced an unenviable task. Locomotives, carriages, track and stations had been starved of capital since the early 1950s. And although AMTRAK was given authority to run trains, to begin with it did not own any of the track. Thus it had to route its trains over track owned by 17 different railroads, none of which wanted anything to do with passenger trains.

By law such trains have always had priority over the long, lumbering freight trains operated by these railroads. But it is a difficult law to enforce and it has proved even more difficult to get these companies to upgrade their track so that passenger trains can be run at speed.

AMTRAK's other major problem has been an enduring shortage of carriages. Whereas British Rail operates over 11,250 miles with about 17,400 carriages, AMTRAK's network extends over more than 20,000 miles and has only 1,870 carriages to serve it.

The combination of equipment shortages, bad track, dirty stations and slow trains has given AMTRAK something of a bad name within the U.S., but it has been fighting back and a vast programme of new investment is at last beginning to bear fruit.

Comfort

For the European visitor this is good news because it means that trips can now be made in new carriages whose standards of comfort are very high by European standards. The "coach" class carriages—which are the equivalent of second class—are more comfortable than those on British Rail and "club" or first class feature very comfortable seats with full waiter service at the seat.

A new fleet of long-distance sleepers—the first to be built in the U.S. for nearly 30 years—is now coming into service. Within 18 months they will be standard equipment on many long-distance trains.

Indeed these new carriages are another sign of the way that AMTRAK is developing into two quite distinct railways. On the one hand are the so-called corridor services which offer a fairly high-frequency service over short distances. These include the Chicago-Detroit and Chicago-Milwaukee services as well as the San Francisco to San Diego service where the number of trains has been doubled.

More important, it also includes the Boston-New York-Washington route known as the north-east corridor. This is the only part of the U.S. which offers the kind of rail service to be found in Europe or Japan. The track on this 450-mile route is now being rebuilt at a cost of \$1.5bn and the corridor is served by about 120 trains a day.

When the rebuilding is completed the journey from New York to Washington will take about 2 hours 40 minutes which will make it very competitive with the air shuttle which goes between two airports that are a little way from the centre of both cities.

Visitors to the Eastern coast of the U.S. find this service very convenient and AMTRAK offers a range of courses allowing one or two night stops in such places as New York and Philadelphia with hotels and sight-seeing included in the package.

But in the rest of the country trains are much more of a rarity. The journey by train from New York to Chicago, for example, takes about 18 hours compared to the 12-hour take by crack trains before the Second World War. From New York to California can take three days or more—a whole day longer than the same journey by bus.

The number of trains has been cut. There is, for example, only one train a day each way between Los Angeles and Chicago and only three week-ends between Los Angeles and New Orleans.

Beauty

However, it is on these long distance trips that a visitor really comes to appreciate the size and the natural beauty of America, particularly in the West where the rail lines pass through wild and unspoiled country and the views are tremendous. AMTRAK offers tours which allow the traveller to break a journey and hire a car to explore before picking up the train again a day or two later.

Indeed, the very slowness of the trains comes to have its own appeal as they lumber over routes laid down more than a century ago—routes that are more than anything else to unify the country during the heavy period of expansion.

In the past six months, however, AMTRAK has also suddenly found itself popular for other reasons. The shortage of petrol this summer—and the sharp rise in its price—has led to a significant increase in the number of people travelling by train. In the first nine months of the year the total number of riders increased by 12.5 per cent to more than 20m.

The immediate consequence of this was that AMTRAK reservation phone lines could not handle the upsurge in ticket bookings. And only a few days after it was introduced AMTRAK cancelled its cheap fare for foreigners on grounds that summer trains were too crowded to allow anyone to travel at reduced rates.

The petrol station queues have gone now and the trains are not so full except at holiday times. AMTRAK is now considering reintroducing concessionary tickets for foreigners but only during the spring and autumn. It is unlikely that it will introduce cheap summer fares for the foreseeable future.

The increase in demand for space on the trains has made it essential that anyone travelling on them should book in advance. On the North East Corridor this is not always necessary (though it is essential on the high-speed Metro-liner trains) but elsewhere in the country it is now very wise to travel without a booking.

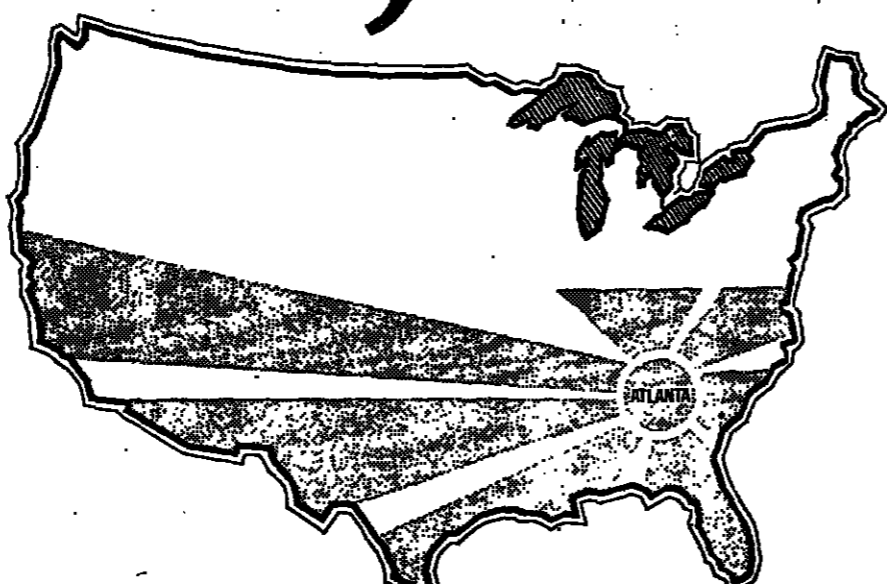
When inquiring about reservations it is important to look at all the various special tickets available and it is also worth getting a hold of AMTRAK's own leaflets which give details of a range of package tours offered on behalf of AMTRAK by private operators. Armed with a proper booking and plenty of time and patience there is nothing to match a long journey through America by train. AMTRAK itself has more or less given up its aim of breaking even any time soon. At the moment the federal government subsidy on the railways is more than half the cost of every ticket.

Costs are rising so fast that it is difficult to see how this subsidy can ever be cut by very much. So it is always possible that Congress will lose patience with passenger transport on the railways and decide to cut out forever the long-distance trains that make their slow way across the country.

It is worth taking one's hat off to the men who are going for good. The aeroplane and the bus may be faster—or cheaper—but they are no substitute for the train. Even if it does arrive half a day late.

David Bell

Delta Flight 11. The only nonstop to Atlanta, Georgia.



The easiest way to the U.S. Sunbelt is Delta's daily nonstop. Leave Gatwick Airport at 1125 and you're in Atlanta at 1530. Your Delta Wide-Ride jet is the new Dash 500 model of the Lockheed L-1011 TriStar with Rolls-Royce engines. This long-range TriStar gives you a quieter, smoother flight. And the comfort of "living room" cabins 8 feet high and 19 feet wide.

Only Delta gives you 50 connections without changing airlines. With one easy plane change in Atlanta, Delta can fly you to such major cities as Los Angeles, San Francisco, Denver, Dallas/Ft. Worth, New Orleans and Houston. In all, to over 50 USA cities—the most connections offered by any transatlantic airline.

Delta has more low-fare flights from Atlanta than any other airline. Our Night Economy Fares save you 20% off regular Day Economy to most Delta cities in the USA. And there are no restrictions.

Save 40% with Delta's Visit-USA Fare. Fly to 80 Delta cities throughout the United States for 40% off regular Day Economy Fare. You can go any time, stay as long as you like. Just reserve the first stage of your USA tour 7 days in advance. (Discount fare applies only to flights in the USA, not to international flights.)

You have a wide choice of Delta fares to Atlanta. The regular First Class single fare is £367.50, the Basic Economy single is £198.50. For the budget-minded, there's a variety of discount fares. The Basic APEX return fare is only £214, the

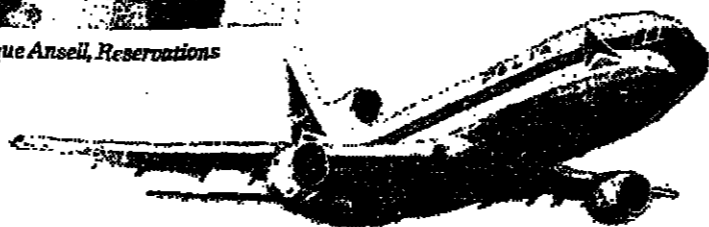
Basic Budget or Standby single fare is just £32. There are certain qualifications and seats are subject to availability.

For information and reservations, call your Travel Agent. Or call Delta in London at (01) 668-0935, Telex 87480. Or call Crawley (0293) 517600. Delta Ticket Office is at 140 Regent Street, London, W1R 6AT. DELTA

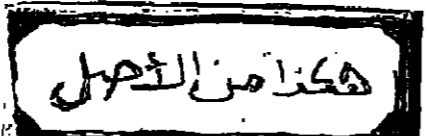
Schedules and fares subject to change without notice.

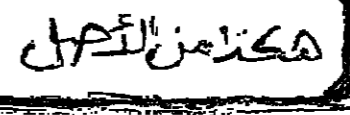


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Companies and Markets

Christmas nut supplies assured

By Our Commodities Staff. SUPPLIES OF walnuts, almonds and Brazil nuts will be plentiful this Christmas...

London precious metals futures market urged

By JOHN EDWARDS, COMMODITIES EDITOR

A SUGGESTION that the London Metal Exchange should start a separate precious metals market...

tinous silver, and hopefully gold, trading rings open for one or two hours each morning...

There is, therefore, a good case for creating a separate market for precious metals...

Guatemala halts coffee exports

By Our Commodities Staff

GUATEMALA HAS suspended exports of coffee from the 1979-80 harvest...

UK AGRICULTURE

Difficult future for hill farmers

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

HILL AND upland farmers, particularly in the North of England and Scotland, face a difficult future...

to subsidise fodder transport. At the same time, to help solve the farmers' cash flow problems...

be in demanding a Community regulation and control of New Zealand imports. This is not yet official National Farmers' Union policy...

Beef price rise forecast next year

By A Correspondent. MOST FORECASTS for beef producers' earnings during 1980 are too pessimistic...

Commission backs sugar cut

By MARGARET VAN HATTEM IN BRUSSELS

THE EEC Commission yesterday approved proposals for a Community sugar regime for 1980-85...

sugar eligible for price support. This leaves a basic production quota of 10.3m tonnes...

world market remains below the high EEC price. However, it is planned to raise the production levy on B quota sugar...

NZ meat strike settlement 'very likely'

WELLINGTON - A return to work by New Zealand meat export workers, on strike since Monday, is 'very likely'...

Debt problem for Danish farmers

By HILARY BARNES IN COPENHAGEN

DANISH MINISTER OF Agriculture, Mr. Poul Dalsager, told farmer leaders yesterday that a ratio of 90 to 100 per cent...

The Minister was told there were about 1,500 farmers with a ratio of 90 to 100 per cent...

Economics at the Copenhagen University of Agriculture. Real incomes in agriculture fell by 3 to 5 per cent in 1978-79...

World market strength

WASHINGTON - The recent strength in world sugar prices is expected to continue into next year...

to reach a peak around 1983 or 1984. Jose de Vries, of the Bank's commodities and export projections division...

BRITISH COMMODITY MARKETS

Table with columns for Base Metals, Tin, Copper, Zinc, Lead, Aluminium, and various grades and prices.

Table with columns for Cacao Beans, Coffee, Rubber, and various grades and prices.

PRICE CHANGES

Table with columns for Metals, Rubber, and various grades and price changes.

AMERICAN MARKETS

Table with columns for Wheat, Corn, Soybeans, and various grades and prices.

I.G. Index Limited 01-351 3466. 3 months Aluminium 793.1-799.9

INSURANCE BASE RATES. Property Growth 184%, Vanbrugh Guaranteed 134%

U.S. commodity markets now open to U.K. investors.

Gold, Platinum, Cotton and Meats are amongst the many commodities traded on the U.S. futures markets...

COFFEE. Robustas opened 15-10 higher as forecast and a quiet morning session...

ALUMINIUM - Higher reflecting labour troubles at Alcan and reports that the Japanese may have to cover...

WHEAT. The market opened 10-15p lower, values eased during the morning session...

SILVER. Silver was fixed 18.05p an ounce lower for spot delivery in the London market...

COCAO. Trading today after a narrow range in the volume cocoa futures closed some 10 below Wednesday evening...

SUGAR. The market fluctuated within a 100 points range during the morning session...

WHEAT. The market opened 10-15p lower, values eased during the morning session...

SILVER. Silver was fixed 18.05p an ounce lower for spot delivery in the London market...

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CCS Ltd. Walsingham House, 35 Seething Lane, London EC3N 4AH, Tel: 01-480 6841

PERSONAL. THIS CHRISTMAS GIVE HOPE TO 50,000 PEOPLE. Send for the Free Multiple Sclerosis Society Christmas card...

INDICES. FINANCIAL TIMES, DOW JONES, MOODY'S, REUTERS. Table with columns for various indices and their values.

LONDON STOCK EXCHANGE

Interest rates fears persist and slide in Government stocks and equities continues—Index 5.9 off at 412.2

Account Dealing Dates Option
*First Declara- Last Account Dealings...
Tuesday's 634. EMI again attracted most business with 112 contracts completed.

consideration of the better-than-expected half-yearly results...
Other Foods, although quieter than late, gave ground on lack of support and the continued absence of buyers.

on their overnight levels. Dunlop shed a penny to 46p...
Portsmouth and Sunderland Newspapers firmed a few pence to 77p on the interim statement.

FINANCIAL TIMES STOCK INDICES
Table with columns for Nov. 8, Nov. 7, Nov. 6, Nov. 5, Nov. 4, Nov. 3, Nov. 2, Nov. 1, and a year ago. Rows include Government Secs, Fixed Interest, Industrial, Gold Mines, etc.

HIGHS AND LOWS
Table with columns for 1979, Since Completion, and S.E. ACTIVITY. Rows include Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

NEW HIGHS AND LOWS FOR 1979
Table with columns for New Highs and New Lows. Rows include American (1), British (2), Canadian (3), etc.

RISES AND FALLS YESTERDAY
Table with columns for British Funds, Govt. Dom. and Ind., Industrial, etc. Rows include British Funds, Govt. Dom. and Ind., Industrial, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Thurs., Nov. 8, 1979, and various indices. Rows include CAPITAL GOODS (173), Building Materials (27), etc.

ACTIVE STOCKS

Table with columns for Stock, Denomina- tion, Closing price, Change, 1979 high, 1979 low. Rows include BTR, Marks & Spencer, BAT Inds., etc.

OPTIONS

DEALING DATES
First Last For Deal- Deal- Declara- Settling- ings ings tion ment Oct. 29 Nov. 9 Feb. 7 Feb. 18 Nov. 12 Nov. 23 Feb. 21 Mar. 3 Nov. 26 Dec. 7 Mar. 6 Mar. 17

RECENT ISSUES

Table with columns for Issue Price, Amount, Date, Stock, etc. Rows include 125 F.P., 125 F.P., 125 F.P., etc.

FIXED INTEREST STOCKS

Table with columns for Issue Price, Amount, Date, Stock, etc. Rows include 100 F.P., 100 F.P., 100 F.P., etc.

"RIGHTS" OFFERS

Table with columns for Issue Price, Amount, Date, Stock, etc. Rows include 100 F.P., 100 F.P., 100 F.P., etc.

LONDON TRADED OPTIONS

Table with columns for Option, Ex'change, Closing price, Vol., etc. Rows include BP, BP, BP, etc.

LEADERS AND LAGGARDS

Table with columns for Oil, Food Retailing, Property, etc. Rows include Oil, Food Retailing, Property, etc.

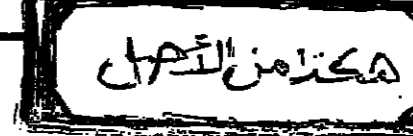
UNIT TRUST SERVICE

Table with columns for Royal Trust (C.I.), TSB GFT Fund Managers (C.I.), etc. Rows include Royal Trust (C.I.), TSB GFT Fund Managers (C.I.), etc.

OFFSHORE & OVERSEAS—contd.

Table with columns for Sannet Montagu Ltd., Highgate Fund, etc. Rows include Sannet Montagu Ltd., Highgate Fund, etc.

FT UNIT TRUST INFORMATION SERVICE



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Allen Harvey & Ross Unit Trust, Allied Hambro Group, and Archway Unit Trust, including their names, managers, and contact details.

Table listing various unit trusts such as Baring Brothers & Co., Bishopsgate Progressive Mgmt. Co., and Bright Finance Managers, including their names, managers, and contact details.

Table listing various unit trusts such as British Life Office, Brown Shipley & Co., and Cazenove Funds Mgt. Ltd., including their names, managers, and contact details.

Table listing various unit trusts such as Commercial Union, Confédération Life Insurance Co., and Credit & Commerce Insurance, including their names, managers, and contact details.

Table listing various unit trusts such as Equitable Life Assurance Society, Equitable & Law Unit Trust, and Equitable Life Assurance Society, including their names, managers, and contact details.

Table listing various unit trusts such as Fidelity Investments, Fidelity Management Research, and Fidelity Investments, including their names, managers, and contact details.

Table listing various unit trusts such as First Viking Commodity Trusts, Fleming Japan Fund S.A., and Free World Fund Ltd., including their names, managers, and contact details.

Table listing various unit trusts such as German Investment Trust, German Investment Trust, and German Investment Trust, including their names, managers, and contact details.

Table listing various unit trusts such as International S.A., International S.A., and International S.A., including their names, managers, and contact details.

NOTES: Prices are in pence unless otherwise indicated. Yields % shown in full column after all paying...

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SURVEYORS VALUERS AND AUCTIONEERS OF REAL ESTATE



BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table of British Funds with columns for Name, Price, and Yield.

Five to Fifteen Years

Table of British Funds (Five to Fifteen Years) with columns for Name, Price, and Yield.

Over Fifteen Years

Table of British Funds (Over Fifteen Years) with columns for Name, Price, and Yield.

Undated

Table of British Funds (Undated) with columns for Name, Price, and Yield.

INTERNATIONAL BANK

Corporation Loans

Table of International Bank Corporation Loans with columns for Name, Price, and Yield.

LOANS

Table of International Bank Loans with columns for Name, Price, and Yield.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY

Frankfurt Office: The Financial Times (Europe) Ltd., Frankfurter 68-72, 6000 Frankfurt-am-Main 1

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For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

FT SHARE INFORMATION SERVICE

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, and Yield.

BANKS & HP—Continued

Table of Banks & HP—Continued with columns for Name, Price, and Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics—Cont. with columns for Name, Price, and Yield.

ENGINEERING—Continued

Table of Engineering—Continued with columns for Name, Price, and Yield.

AMERICANS

Table of American Stocks with columns for Name, Price, and Yield.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Name, Price, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and Yield.

CANADIANS

Table of Canadian Stocks with columns for Name, Price, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and Yield.

ELECTRICALS

Table of Electricals with columns for Name, Price, and Yield.

ROTELS AND CATERERS

Table of Roteles and Caterers with columns for Name, Price, and Yield.

INDUSTRIALS (Misc.)

Table of Industrials (Misc.) with columns for Name, Price, and Yield.

FOOD, GROCERIES—Cont.

Table of Food, Groceries—Cont. with columns for Name, Price, and Yield.

INDUSTRIALS (Misc.)

Table of Industrials (Misc.) with columns for Name, Price, and Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, Etc. with columns for Name, Price, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and Yield.

Handwritten text in Arabic script: كذا من التحول

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, high, low, and change.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity and Commercial Union Assurance.

PROPERTY—Continued

Table of property-related stocks including companies like British Land and National Westminster.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American and British Overseas.

FINANCE, LAND—Continued

Table of finance and land-related stocks including companies like City of London and National Westminster.

DAIWA BANK logo and text: a fully integrated banking service. Head Office: Osaka, Japan.

MINES—Continued

Table of mining stocks including companies like Anglo American and De Beers.

AUSTRALIAN

Table of Australian stocks including companies like BHP and Woolworths.

TINS

Table of tin stocks including companies like Anglo Tin Mines and Anglo American.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo American and Anglo Tin Mines.

NOTES

Notes section containing various financial notices and company announcements.

LEISURE

Table of leisure stocks including companies like British Skyways and British Airways.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Rover and Jaguar.

Commercial Vehicles

Table of commercial vehicle stocks including companies like Leyland and Daimler.

Components

Table of component stocks including companies like Lucas and Lucas Industries.

Garages and Distributors

Table of garage and distributor stocks including companies like Halfords and Halfords Stores.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International and Newsprint.

PAPER, PRINTING

Table of paper and printing stocks including companies like Newsprint and Newsprint.

SHIPPING

Table of shipping stocks including companies like British Overseas Airways and British Airways.

SHOES AND LEATHER

Table of shoe and leather stocks including companies like Clarks and Clarks Group.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American and Anglo Tin Mines.

TEXTILES

Table of textile stocks including companies like Anglo American and Anglo Tin Mines.

TOBACCO

Table of tobacco stocks including companies like Anglo American and Anglo Tin Mines.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo American and Anglo Tin Mines.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo American and Anglo Tin Mines.

TEAS

Table of tea stocks including companies like Anglo American and Anglo Tin Mines.

India and Bangladesh

Table of Indian and Bangladeshi stocks including companies like Anglo American and Anglo Tin Mines.

Africa

Table of African stocks including companies like Anglo American and Anglo Tin Mines.

MINES

Table of mining stocks including companies like Anglo American and Anglo Tin Mines.

EASTERN RAND

Table of Eastern Rand mining stocks including companies like Anglo American and Anglo Tin Mines.

FAR WEST-RAND

Table of Far West-Rand mining stocks including companies like Anglo American and Anglo Tin Mines.

FINANCE

Table of finance stocks including companies like Anglo American and Anglo Tin Mines.

Options

Table of options stocks including companies like Anglo American and Anglo Tin Mines.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American and Anglo Tin Mines.

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Options

Table of options stocks including companies like Anglo American and Anglo Tin Mines.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American and Anglo Tin Mines.

REGIONAL MARKETS

Table of regional market data for various countries and regions.

Options

Table of options data for various stocks and commodities.

DIAMOND AND PLATINUM

Table of diamond and platinum market data.



FAG keep things rolling FAG Bearing Co. Ltd. Wolverhampton. Tel: 0902 894114

Plan to hive off Rolls-Royce threatens future of NEB

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE FUTURE of the National Enterprise Board hung in the balance last night as the Government considered whether to go ahead with a plan to hive off Rolls-Royce from the NEB...

it too is to develop effectively as an international aero engine manufacturer. However, the future of Sir Kenneth is far from clear...

ontrol systems are good enough. Rolls-Royce wants £500m or more of public money over the next five years to develop new engines.

plines. Sir Keith Joseph's decision to go ahead with the hiving off — which he was reconsidering last night — is contrary to the Conservative Party's general election manifesto...

Cuba bank drops bid to float £8m bond

By Our Foreign Staff

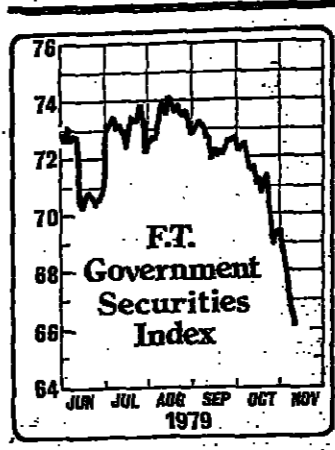
AN ATTEMPT by the National Bank of Cuba to float a public bond issue in Switzerland was yesterday abandoned. The development could have major implications for Cuba's continued access to Western financial markets.

Coming to the City for home loans

THE LEX COLUMN

It has been a nail-biting final few days for the BF underwriters but it would still be surprising if the issue does not go.

Index fell 5.9 to 412.2



Building Societies

The Anglia Hastings and Thanet is certainly not the biggest building society but it is one of the bravest. While its larger rivals are still locked in industry-wide discussions of ways to raise new funds...

tives of the pension funds, clearing banks, merchant banks and insurance companies. There is only one building society member.

600m for 1979, whereas 1980 prospects for the industry are not encouraging. The size of the issue has to be set against the group's net debt of nearly £FR 12bn...

CSR makes £247m bid for Thiess

By James Forth in Sydney

CSR, the Australian industrial and mining group, has made an A\$465m (£247m) bid for Thiess Holdings. It could become Australia's leading energy resources group.

Steel strike plan fails

BY PHILIP BASSETT, LABOUR STAFF

A THREAT of industrial action against British Steel's plans to end iron and steel making at Corby, Northants, receded yesterday when the industry's largest union failed to win the support of other steel unions for the action.

Mr. Bill Sims, general secretary of the confederation and chairman of the committee, said he was disappointed with the response of the other unions.

own members, who make up more than half of the industry's 150,000 workers, if the other unions left it "high and dry".

Fiat faces clash with unions

BY PAUL BETTS IN ROME

FIAT, ITALY'S biggest private enterprise, last night faced a head-on clash with the trades unions and the Turin Labour Tribunal which could have significant repercussions on Italian labour relations.

Fiat's move brought an instant condemnation from the unions, which see it as a further attempt by the company and Sig. Giovanni Agnelli, its chairman, to undermine union influence and establish a precedent to reinforce the authority of the Patronal, the Italian employers' organisation.

The affair is turning into a major test case in Italian labour relations. The 50 workers are all being assisted legally by the unions. Another 70 of those sacked have chosen to defend themselves independently, and one has decided not to fight his case.

Iran cuts oil

Continued from Page 1

enough crude for its own needs, and was a substantial seller of excess oil. Its supplies from its five leading OPEC sources have dropped to 1.12m b/d in the second half of this year, from 2m last year and 4.3m in 1974.

Gray Mackenzie said the situation was resolved after an interruption of about 24 hours. A BP tanker is known to have loaded at Kharg on Wednesday and sailed yesterday.

panies thought to be hit are American Eastern and Gulf. Gray Mackenzie said the situation was resolved after an interruption of about 24 hours.

BP allocation terms likely on Monday

By Christine Meir

THE BANK OF ENGLAND expects to announce the allocation terms of the Government's sale of 5 per cent of British Petroleum on Monday.

Money supply

Continued from Page 1

Oil traders speculated yesterday that the rise in spot market prices might soon come to a temporary halt in view of the limited amount of storage capacity available.

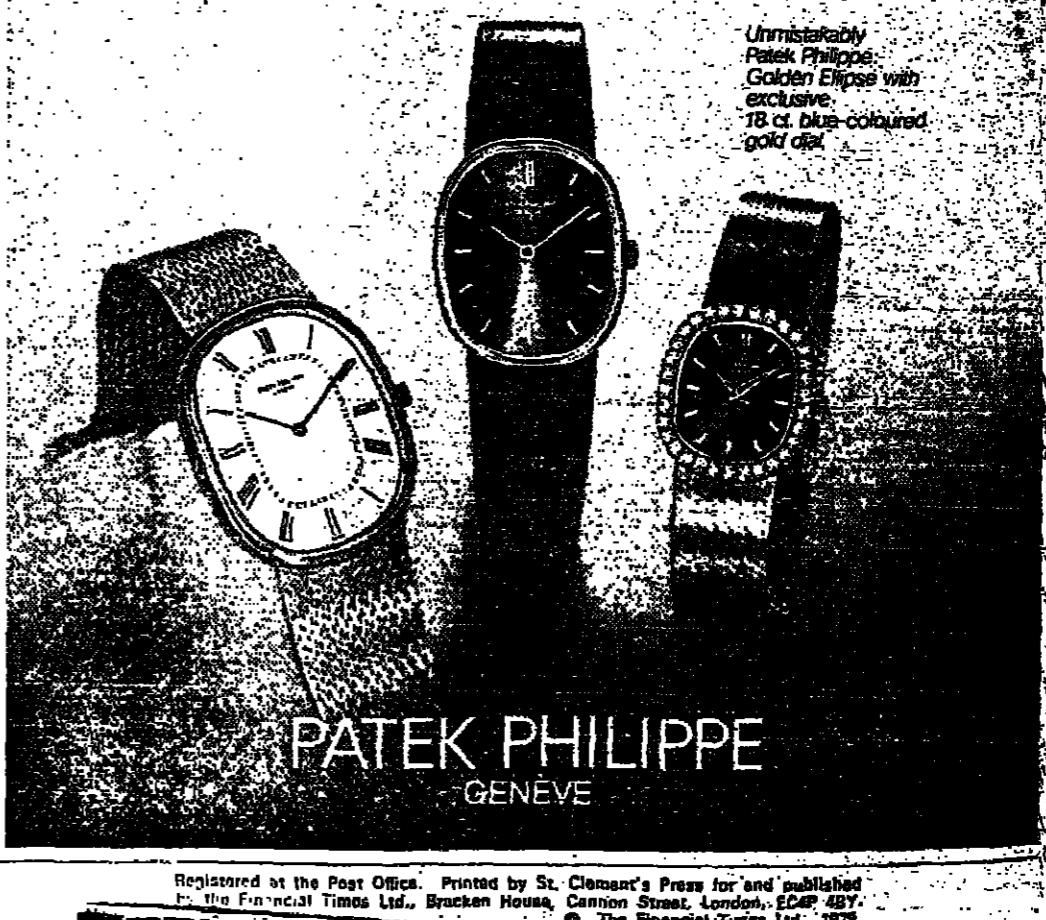
The money markets also continued to be unsettled, with large nominal spreads ahead of the Treasury bill tender this afternoon.

Worldwide

Table with columns for location, temperature, and other weather-related data.

Patek Philippe Hand-crafted

In 1839, the founding year of Patek Philippe, finishing a watch entirely by hand was the rule. Today it is the exception. Should rare watches made in this way appeal to you...



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